

1           IN THE UNITED STATES DISTRICT COURT  
2           FOR THE NORTHERN DISTRICT OF OHIO  
3           EASTERN DIVISION  
4                   -   -   -  
5

6           IN RE:    NATIONAL                         :   HON. DAN A.  
7           PRESCRIPTION OPIATE                   :   POLSTER  
8           LITIGATION                               :     
9   :     
10          APPLIES TO ALL CASES                   :   NO.  
11   :   1:17-MD-2804  
12   :     
13   :   

14                               - HIGHLY CONFIDENTIAL -  
15

16          SUBJECT TO FURTHER CONFIDENTIALITY REVIEW  
17                               -   -   -  
18

19                               March 15, 2019  
20                               -   -   -  
21

22                               Videotaped deposition of  
23          STEPHEN C. MACRIDES taken pursuant to  
24          notice, was held at the offices of  
        McCarter & English, LLP, 1600 Market  
        Street, Philadelphia, Pennsylvania,  
        beginning at 9:05 a.m., on the above  
        date, before Michelle L. Gray, a  
        Registered Professional Reporter,  
        Certified Shorthand Reporter, Certified  
        Realtime Reporter, and Notary Public.

25                               -   -   -  
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Charles Bachmann - Paralegal  
6 (Seeger Weiss)

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Jobina Jones-McDonnell, Esq.  
8 (Endo)

9

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Devyn Mulholland

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LITIGATION TECHNICIAN

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Bradley Smith

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I N D E X

Testimony of:

STEPHEN C. MACRIDES

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By Mr. Stewart	555

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- - -

DEPOSITION SUPPORT INDEX

Direction to Witness Not to Answer

PAGE LINE

None.

Request for Production of Documents

PAGE LINE

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Stipulations

PAGE LINE

None.

Questions Marked

PAGE LINE

None.

1

- - -

2

THE VIDEOGRAPHER: We are

3

now on the record. My name is

4

Devyn Mulholland. I'm a

5

videographer for Golkow Litigation

6

Services.

7

Today's date is March 15,

8

2019. The time is 9:05 a.m.

9

This video deposition is

10

being held in Philadelphia,

11

Pennsylvania, in the matter of

12

National Prescription Opiate

13

Litigation.

14

The deponent is Steven

15

Macrides.

16

Counsel will be noted on the

17

stenographic record.

18

The court reporter is

19

Michelle Gray and will now swear

20

in the witness.

21

- - -

22

... STEPHEN C. MACRIDES,

23

having been first duly sworn, was

24

examined and testified as follows:

1

- - -

2

EXAMINATION

3

- - -

4

BY MR. BUCHANAN:

5

Q. Good morning, Mr. Macrides.

6

How are you today?

7

A. Good. How are you?

8

Q. Good. Welcome to your

9

deposition. Could you state your full

10

name for the record, please?

11

A. Steven Christopher Macrides.

12

Q. Okay. I understand that you

13

are a current employee of Endo

14

International; is that correct?

15

A. I am.

16

Q. Okay. Let me pass you a

17

copy of your CV.

18

(Document marked for

19

identification as Exhibit

20

Endo-Macrides-1.)

21

BY MR. BUCHANAN:

22

Q. It's been handed to me by

23

your counsel. I assume you saw it before

24

you came in today.

1           A.       I have.

2           Q.       Is this your current CV,  
3       current form of your CV?

4           A.       It's the most updated  
5       version, yes.

6           Q.       Okay. And I put that  
7       qualifier on, because I understand that  
8       it hasn't been updated in a few months,  
9       years, how long?

10          A.       I haven't updated this  
11       probably in a year, year and-a-half.

12          Q.       Okay. I see the last most  
13       recent updated entry at the bottom of  
14       page one, vice president global supply  
15       chain 6-2017 to the present for Endo  
16       International, correct?

17          A.       Right. That's not my  
18       current title, however.

19          Q.       Okay. What is your current  
20       title?

21          A.       My current title is senior  
22       vice president of global supply chain.

23          Q.       Okay. And we're not going  
24       to have a copy of this for the video, so

1 can I have the Elmo, please.

2 All right. To orient us  
3 here, sir, this is Exhibit 1 to your  
4 deposition. This is the most current  
5 version of your CV, correct?

6 A. Yes.

7 Q. Okay. And you corrected or  
8 clarified orally this entry at the  
9 bottom, or at least provided a more  
10 current title. It's senior vice  
11 president; is that right?

12 A. That's correct.

13 Q. Same division or function,  
14 global supply chain?

15 A. Global supply chain.

16 Q. Gotcha.

17 Okay. You have been with  
18 Endo, as I understand it, for a few  
19 years; is that right?

20 A. Since 2012.

21 Q. Okay. And senior director  
22 finance enterprise supply chain 2012 to  
23 2015; is that right?

24 A. That's correct.

1 Q. Okay. Moved up and became a  
2 vice president in 2015, correct?

3 A. Correct.

4 Q. And then that was vice  
5 president supply chain generics from  
6 February 2015 to 2017, correct?

7 A. Correct.

8 Q. And then in 2017, you became  
9 the vice president of global supply  
10 chain, so you took responsibility, I take  
11 it for both branded and nonbranded  
12 products; is that right?

13 MS. VANNI: Object to form.

14 THE WITNESS: At that time I  
15 had some responsibility for  
16 branded and generics, yes.

17 BY MR. BUCHANAN:

18 Q. Okay. So prior to 2017,  
19 from 2015 to 2017, to be more specific,  
20 you were responsible for the supply chain  
21 for generics, correct?

22 A. Correct.

23 Q. Okay. Have you had your  
24 deposition taken before?

1 A. Once.

2 Q. And what was the context on  
3 that?

4 A. It was a litigation related  
5 to a previous company that I worked for.

6 Q. Okay. How many years ago?

7 A. That would have been in --  
8 prior to 2000. I don't remember the  
9 exact year.

10 Q. You understand, sir, your  
11 deposition is being taken today by  
12 counsel for various municipalities,  
13 counties, states for the MDL and  
14 litigation against manufacturers and  
15 distributors of opioid products, correct?

16 A. I understand.

17 Q. Okay. In connection with  
18 your prior deposition, was your prior  
19 deposition in an action that related in  
20 any way to opioid products?

21 A. No.

22 Q. Okay. Did it relate to drug  
23 products?

24 A. No.

1 Q. Okay. Was it a personal  
2 matter?

3 A. It was a -- how do I  
4 describe it? It was a matter related to  
5 diversion of funds. That's the best way  
6 I can describe it.

7 Q. Okay. A claim involving a  
8 government entity or not?

9 A. No, it was a claim involving  
10 a contractor and a CEO who had been  
11 involved in some redirection of funds for  
12 personal use.

13 Q. Okay. And what entity were  
14 you working for at that time?

15 A. I was working for a company  
16 called Astra USA.

17 Q. Okay. So you have been an  
18 employee of Endo or Endo affiliates since  
19 2012?

20 A. Correct.

21 Q. Okay. And current home base  
22 for you is here in the states or  
23 overseas?

24 A. I'm an ex-pat. So I -- my

1     job technically is based in Dublin,  
2     Ireland.

3             Q.     Okay. So let's -- when we  
4     see here employment history 2015 to the  
5     present. Is the entity that you work for  
6     still Endo International PLC?

7             A.     It is.

8             Q.     Okay. You were working for  
9     Endo International PLC, no longer at the  
10    Malvern location, but now in an ex-US  
11    location?

12            A.     My office is in Dublin,  
13    Ireland.

14            Q.     Gotcha. And how long has  
15    that been the case?

16            A.     About two years.

17            Q.     Okay. You understand, sir,  
18    that you've been called to testify  
19    obviously about information that you may  
20    have personally. But you've also been  
21    designated to speak on behalf of the  
22    company on certain topics, correct?

23            A.     I understand that.

24                   MR. BUCHANAN: Okay. Can I

1           have a copy of the notice and the  
2           letter.

3                       (Document marked for  
4           identification as Exhibit  
5           Endo-Macrides-2.)

6   BY MR. BUCHANAN:

7           Q.     Passing you, sir, what's  
8   been marked as Exhibit 2 to your  
9   deposition. It's a document entitled  
10   "Notice of Deposition of Stephen  
11   Macrides." That's for here at this  
12   location today.

13                    Do you see that?

14           A.     I see it.

15           Q.     You see that it was a notice  
16   that was issued to the entities. And  
17   you've been designated to testify on  
18   certain particular topics. Do you see  
19   those topics? 30, 31, 32, 33, and 35?

20           A.     I see that.

21           Q.     Okay. I take it that you've  
22   had a chance to see this notice before,  
23   sir?

24           A.     Yes, I've seen this notice.

1 Q. I take it that you've had a  
2 chance to see the topics?

3 A. I've seen the topics.

4 Q. Okay. Passing you what we  
5 are marking as Exhibit 3.

6 (Document marked for  
7 identification as Exhibit  
8 Endo-Macrides-3.)

9 BY MR. BUCHANAN:

10 Q. And this is kind of the  
11 inside baseball, the way this case is  
12 proceeding.

13 It's an e-mail thread  
14 between --

15 MS. VANNI: Thank you.

16 BY MR. BUCHANAN:

17 Q. -- counsel for your employer  
18 and related entities, and counsel for  
19 plaintiffs concerning those topics.

20 Have you seen this  
21 correspondence? Feel free to flip the  
22 pages.

23 A. I haven't actually seen this  
24 document.

1           Q.     Let -- let me direct your  
2     attention, sir, to, for the record,  
3     Exhibit 3 is an exchange among  
4     Ms. Scullion of my office and Mr. Davis  
5     and others, counsel noted in the room,  
6     related to the deposition today.

7                     Do you see the headline,  
8     subject Re, opiates Macrides topics?

9           A.     I see that.

10          Q.     Okay. And I understand you  
11     may not have seen the topics in this  
12     form, you may have seen them in some  
13     other digested form. But I just want to  
14     confirm that we are on the same page  
15     before we get rolling today, okay.

16                     Let's turn to Page 3, turn  
17     to Page 3.

18                     And we have at the bottom of  
19     the page it says, "For ease of reference  
20     we set forth here our now modestly  
21     revised agreements on topics to which  
22     Mr. Macrides will be prepared to testify  
23     under Rule 30(b)(6) as a corporate  
24     representative for Endo/Par."

1 Do you see that?

2 A. I see it.

3 Q. Do you see the statement for  
4 Topic 30?

5 A. I see it.

6 Q. Okay. I'll just give you a  
7 moment to read that. I'll read it while  
8 you read it to yourself. "For Endo and  
9 Par, including Qualitest, for all periods  
10 during which any Class II opioids were  
11 sold, an explanation of the applicable  
12 policies, procedures, records and systems  
13 to investigate, report or halt actual or  
14 suspected suspicious orders, as well as  
15 the substance of, A, the reasons for  
16 material changes to the same; B, the  
17 effectiveness of the same; and C, reports  
18 to the DEA or Ohio authorities with the  
19 understanding that the witness will not  
20 have committed to memory every report."

21 Did I read that correctly?

22 A. You did.

23 Q. Did you have that  
24 understanding, sir, that you were to be

1 prepared to talk about that today?

2 A. I understand.

3 Q. Okay.

4 MS. VANNI: Counsel, just  
5 note for the record that there is  
6 a time limitation that we worked  
7 out with counsel, Ms. Scullion,  
8 with respect to Qualitest  
9 Pharmaceuticals and the purchase,  
10 and this witness is prepared to  
11 testify as far back as  
12 October 31st, 2007.

13 MR. BUCHANAN: Yeah, I --  
14 there's -- there's some debate  
15 about that point, and we'll  
16 clarify that as we proceed today.

17 But I'll -- I'll note that,  
18 and the e-mail also notes a  
19 clarifying point on that. And  
20 we'll get to that in a moment.

21 BY MR. BUCHANAN:

22 Q. For Par, including  
23 Qualitest, for all periods during which  
24 any Class II opioids were sold an

1 explanation of the applicable policies,  
2 procedures, records and systems to  
3 investigate, report or halt actual or  
4 suspected abuse or diversion, as well as  
5 the substance of, A, the reasons for  
6 material changes to the same; B, the  
7 effectiveness of the same; and C, reports  
8 to the DEA or Ohio authorities with the  
9 understanding the witness will not have  
10 committed to memory every report."

11 Did I read that correctly?

12 A. Yes.

13 Q. And you have that  
14 understanding --

15 A. I understand.

16 Q. -- to be prepared to testify  
17 to that today?

18 A. I understand.

19 Q. Okay. Please take a look at  
20 Topic 31. I don't think I'm going to  
21 litter the record with a reading of each  
22 of these.

23 I'd like you to read  
24 Topic 31 to yourself. It's displayed on

1 the screen so there's no dispute as to  
2 what we're referring to.

3 There are two bullets there,  
4 one for Endo and Par, and one for Par  
5 separately. Just let me know after  
6 you've read it.

7 A. I've read it.

8 Q. Okay. Are you prepared to  
9 testify on those topics today, sir?

10 A. I am.

11 Q. Okay. Topic 32. Please  
12 read those two bullets. They are now  
13 displayed on the screen. One for Endo  
14 and Par. One for just Par including  
15 Qualitest.

16 A. I've read it.

17 Q. Okay. You had that  
18 understanding before you came in today,  
19 sir, you were going to be providing  
20 testimony on those topics?

21 A. I understand.

22 Q. Okay. And you are prepared  
23 to do so?

24 A. I am.

1 Q. Okay. Topic 33. Could you  
2 read that please?

3 A. I've read it.

4 Q. Okay. Before you came in  
5 today you had the understanding you were  
6 going to be providing testimony on that  
7 topic?

8 A. I understand.

9 Q. Are you prepared to do so?

10 A. I am.

11 Q. Okay. And Topic 35. Could  
12 you read that, please?

13 A. I read it.

14 Q. Okay. Are you prepared to  
15 provide testimony on that topic?

16 A. I am.

17 Q. And you had that  
18 understanding before you came in today?

19 A. Yes.

20 Q. Okay. Good. All right. A  
21 number of the topics, sir, that are --  
22 are listed, or a number of the subject  
23 matters that are touched on concern  
24 issues related to, I'll say, suspicious

1     order monitoring, diversion, abuse, you  
2     saw those in your re-reading of the  
3     topics?

4             A.     I did.

5             Q.     Okay. Have you held a DEA  
6     compliance function for Endo, Par, or  
7     Qualitest?

8             A.     The DEA compliance function  
9     reports to me.

10            Q.     So my question was, have you  
11    held a DEA compliance function in your  
12    time at Endo, Par, or Qualitest?

13            A.     When you say held, I'm not  
14    sure exactly what you mean by held.

15            Q.     Okay. I looked at your  
16    CV --

17            A.     Have -- have I been the head  
18    of DEA compliance?

19            Q.     Yeah.

20            A.     No, I have not been the head  
21    of DEA compliance.

22            Q.     Have you been somebody who  
23    has been kind of hands-on in ensuring DEA  
24    compliance?

1                   A.       I've not been hands --

2                   MS. VANNI:   Object to form.

3                   THE WITNESS:   I've not been  
4                   a hands-on DEA compliance person.

5       BY MR. BUCHANAN:

6                   Q.       Okay.   So if we looked at an  
7                   org chart and we looked at DEA  
8                   compliance, for example, there would be a  
9                   head of DEA compliance, right?

10                  A.       That's correct.

11                  Q.       And there may not have been  
12                  a head of DEA compliance at various  
13                  points in time.   But there currently is,  
14                  correct?

15                  MS. VANNI:   Objection.

16                  THE WITNESS:   There is.

17       BY MR. BUCHANAN:

18                  Q.       Okay.   And if we looked  
19                  underneath of the -- the role of DEA  
20                  compliance, we would see names of other  
21                  people that fulfilled some responsibility  
22                  within that function, correct?

23                  A.       You would.

24                  MS. VANNI:   Objection.

1 BY MR. BUCHANAN:

2 Q. Would you fall either in the  
3 head or underneath that kind of pyramid  
4 of structure for DEA compliance?

5 A. The head of DEA compliance  
6 would report to me --

7 Q. Okay. So --

8 A. -- as part of my overall  
9 responsibility.

10 Q. So the answer to my question  
11 would be you would not be within that  
12 umbrella, you would be above that  
13 umbrella?

14 A. That's correct.

15 Q. Okay. So you're saying that  
16 the person responsible for that was  
17 responsible to report to you?

18 A. Correct.

19 Q. Okay. Have you been  
20 responsible yourself for suspicious order  
21 monitoring?

22 MS. VANNI: Object to form.

23 THE WITNESS: Not directly.

24 BY MR. BUCHANAN:

1 Q. Okay. Have you been  
2 responsible yourself for ensuring there  
3 were effective controls against  
4 diversion?

5 A. Yes.

6 Q. In what sense, sir?

7 A. In the sense that the DEA  
8 compliance function as part of my overall  
9 responsibilities as a senior vice  
10 president of global supply chain.

11 Q. Okay. And that became the  
12 case at what point in time?

13 A. The DEA compliance function  
14 reported to me in early 2015.

15 Q. Okay.

16 A. I don't remember the exact  
17 date.

18 Q. Okay. So -- so let's --  
19 let's do a little history so we can kind  
20 of orient ourselves with these companies.  
21 Because the companies merged and had  
22 prior histories prior to the mergers,  
23 correct?

24 A. That's right.

1 Q. Okay. Endo is the result of  
2 a few executives from DuPont, Merck  
3 leaving in 1997, forming a new entity  
4 around that time, correct?

5 A. That's my understanding.

6 Q. And Endo has been in the  
7 business of the manufacture and sale and  
8 distribution of opioids since about 1997,  
9 fair?

10 A. That's my understanding.

11 MS. VANNI: Just for the  
12 record, you're asking him these  
13 questions in his personal  
14 capacity, based on his personal  
15 understanding or are you asking  
16 his 30(b)(6)?

17 MR. BUCHANAN: I think I  
18 need to understand how he could do  
19 his job as a 30(b)(6). So I  
20 mean -- on the 30(b)(6) topics.  
21 So we're trying to elicit  
22 corporate testimony.

23 BY MR. BUCHANAN:

24 Q. Prior to the merger with

1 Endo in 2010, Qualitest was a standalone  
2 entity, correct?

3 A. That's my understanding.

4 Q. Qualitest was in the  
5 business of the manufacture and sale of  
6 opioid products prior to 2010, correct?

7 A. Opioids and other  
8 medications.

9 Q. Qualitest has a history  
10 going back to the '80s, correct?

11 MS. VANNI: Object to form.

12 THE WITNESS: It has a long  
13 history. I'm not sure exactly  
14 when they began.

15 BY MR. BUCHANAN:

16 Q. Do you have that knowledge,  
17 that Qualitest has been in the business  
18 of manufacturing, distributing opioids  
19 for dozens of years?

20 A. I have an understanding that  
21 Qualitest has been in the business of  
22 manufacturing and distributing opioids,  
23 yes. Through some time period.

24 Q. Prior to the 2000s?

1 A. Prior to 2000s, yes.

2 Q. Okay. Fine. Without  
3 fussing on a year, prior to the 2000s.  
4 Okay.

5 All right. Par is a third  
6 entity and prior to its, I'll say, merger  
7 with the Endo entities in 2015, was also  
8 in the business of the manufacture and  
9 distribution and the sale of opioids,  
10 correct?

11 A. That's my understanding.

12 Q. Okay. It's got a history of  
13 making opioids for years prior to the  
14 merger with the Endo/Qualitest entities,  
15 correct?

16 MS. VANNI: Object to form.

17 THE WITNESS: It has a  
18 history. I don't know the exact  
19 details of the history. I'm much  
20 more familiar, given that I was an  
21 Endo employee. But I do  
22 understand that Par was in that  
23 business of distributing and  
24 manufacturing opioids.

1 BY MR. BUCHANAN:

2 Q. You understand that you've  
3 been designated to testify --

4 A. I understand.

5 Q. Let me just finish the  
6 question. And I realize it's been a  
7 while since you've last been deposed.  
8 But just so we are not stepping on each  
9 other with our questions and answers.

10 You understand that you've  
11 been designated to testify about systems,  
12 procedures, the effectiveness of those  
13 procedures that Par, as an entity,  
14 maintained or had with regard to opioids,  
15 correct?

16 A. I understand that.

17 Q. Okay. You understand that  
18 Par was in the business of manufacturing,  
19 distributing, and selling opioids prior  
20 to 2015, correct?

21 A. I do.

22 Q. Okay. And you are prepared  
23 to talk about that today, correct?

24 A. I am.

1 MR. BUCHANAN: Can I have  
2 E-1811, E-1809, and E-1810. How  
3 are they being numbered?

4 (Document marked for  
5 identification as Exhibit  
6 Endo-Macrides-4.)

7 (Document marked for  
8 identification as Exhibit  
9 Endo-Macrides-5.)

10 (Document marked for  
11 identification as Exhibit  
12 Endo-Macrides-6.)

13 BY MR. BUCHANAN:

14 Q. Let's start with Endo just  
15 to orient ourselves a little, sir. Just  
16 passing you what we're marking as  
17 Exhibit 4 to your deposition.

18 MR. BUCHANAN: Can you  
19 please pull up E-1811.

20 Can you pull up the  
21 left-hand column.

22 BY MR. BUCHANAN:

23 Q. Sir, on the screen and  
24 before you -- it might be easier to read

1 on the screen. You're welcome certainly  
2 to try it on the printout. My eyes are  
3 challenged for that kind of print.

4 But on the screen you'll see  
5 a chart prepared from shipping data that  
6 Endo has produced to us and pointed us to  
7 in its answers to interrogatories.

8 In connection with your  
9 preparation today, sir, did you review  
10 Endo, Par, and Qualitest answer to  
11 interrogatories?

12 A. Can you just clarify? When  
13 you say answer to interrogatories?

14 Q. Right. So what we do kind  
15 of when we try to figure things out in  
16 litigation, is sometimes we ask for  
17 documents, sometimes we ask for answers  
18 to questions in writing.

19 They're called  
20 interrogatories. It's a formal legal  
21 exchange. We have served those on the  
22 Endo entities, including Par. We have  
23 received responses to those, certain of  
24 those questions concerned issues relevant

1 to our discussion today, including  
2 shipment data, including suspicious order  
3 monitoring protocols, including due  
4 diligence investigations. They represent  
5 the company's formal statement back to us  
6 in response to questions.

7 Have you reviewed the  
8 company's answers to those questions by  
9 us?

10 A. I haven't specifically seen  
11 those questions. I reviewed a number of  
12 documents in preparation. But I have not  
13 specifically seen questions from you  
14 to --

15 Q. That's fine. And maybe I'll  
16 show you one and we can mark that in the  
17 record and get confirmation whether  
18 you've seen that or not.

19 I'll represent to you, sir,  
20 that what we see on the screen is  
21 prepared from shipping data that Endo has  
22 pointed us to.

23 And it reflects a range of  
24 products over a range of years, opioid

1 products that Endo has manufactured,  
2 marketed and sold. Do you see that list,  
3 sir?

4 A. I see it.

5 Q. Do you recognize that, sir,  
6 as a list of products, opioid-containing  
7 products that Endo has made over the  
8 years?

9 MS. VANNI: Object to form.

10 THE WITNESS: I do.

11 BY MR. BUCHANAN:

12 Q. Okay. And you can see at  
13 the bottom, sir, there's a tally of total  
14 pills and units shipped for each of the  
15 years.

16 A. I see that.

17 Q. Okay. And you can see, and  
18 we can go back in time. All the way, not  
19 too long after Endo's beginning. Endo is  
20 shipping hundreds of millions of pills or  
21 dosage units of opioid-containing  
22 products, correct, sir?

23 MS. VANNI: Objection.

24 BY MR. BUCHANAN:

1 Q. Do you see that?

2 A. Yes. Endo is shipping  
3 opioid pills to the patients that needed  
4 them.

5 Q. Well, Endo was shipping  
6 opioids to who was ordering them,  
7 correct?

8 MS. VANNI: Object to form.

9 THE WITNESS: Yes, Endo was  
10 shipping patients -- Endo was  
11 shipping pills, medicines to our  
12 customers to give to patients who  
13 needed them.

14 BY MR. BUCHANAN:

15 Q. Okay. Well, the way it  
16 works, sir, as I understand it, in your  
17 business, is the company gets orders,  
18 right?

19 A. That's correct.

20 Q. And the company processes  
21 orders, right?

22 A. We do.

23 Q. Okay. So that little piece  
24 that you're putting on the end -- and you

1 understand that Endo, Par and Qualitest  
2 products were subject to abuse and  
3 diversion, correct?

4 MS. VANNI: Object to form.

5 THE WITNESS: I understand  
6 that opioid products, if not  
7 properly controlled and kept  
8 within a closed system, can be  
9 subject to abuse.

10 BY MR. BUCHANAN:

11 Q. By definition, sir,  
12 controlled substance, certainly a C-II  
13 controlled substance has a high risk of  
14 abuse and diversion, correct?

15 MS. VANNI: Object to form.

16 THE WITNESS: It does, which  
17 is why we have regulations and  
18 controls that we abide by in the  
19 management, manufacture, and  
20 distribution of those products.

21 MR. BUCHANAN: We'll move to  
22 strike everything after "it does."

23 BY MR. BUCHANAN:

24 Q. And we can agree, sir, over

1 the years that Endo, Qualitest and Par's  
2 products were abused and diverted,  
3 correct?

4 MS. VANNI: Objection.

5 THE WITNESS: I don't know  
6 to what degree Endo and Qualitest  
7 products were diverted.

8 BY MR. BUCHANAN:

9 Q. I didn't ask you to what  
10 degree. We can agree that Endo and  
11 Qualitest opioid products were abused and  
12 diverted, correct, sir?

13 MS. VANNI: Objection.

14 THE WITNESS: We can agree  
15 that if these products are not  
16 properly controlled, they can be  
17 diverted and abused.

18 BY MR. BUCHANAN:

19 Q. That's not my question.

20 Sitting here today, as the  
21 corporate representative for Par, Endo  
22 and Qualitest, is it your testimony, sir,  
23 that no -- and we're looking at hundreds  
24 of millions of pills and dosage units for

1 each year, that none of the Endo opioids,  
2 of the Par opioids, of the Qualitest  
3 opioids, were abused or diverted, is that  
4 your testimony, sir?

5 MS. VANNI: Objection.

6 THE WITNESS: I can't -- I  
7 cannot speak to the degree to  
8 which Endo or Qualitest opioid  
9 products may or may not have been  
10 abused.

11 What I can testify to is  
12 that if these products are not  
13 properly controlled, they -- they  
14 can be abused and diverted.

15 BY MR. BUCHANAN:

16 Q. Right. And again, you keep  
17 coming back to the degree, which I guess  
18 does answer my question, sir.

19 Because you do agree that  
20 Endo, Qualitest and Par products were  
21 abused and diverted?

22 A. I agree that these  
23 products --

24 MS. VANNI: Objection.

1                   Objection.   Misstates his  
2                   testimony.

3                   Go ahead.   Give me a second  
4                   to object.

5                   THE WITNESS:   I -- sorry.

6                   MS. VANNI:   It's okay.

7   BY MR. BUCHANAN:

8                   Q.       You can answer.

9                   MS. VANNI:   You can answer.

10                  THE WITNESS:   I'm testifying  
11                  that these products, if not  
12                  properly controlled, can be abused  
13                  or diverted.

14   BY MR. BUCHANAN:

15                  Q.       I'm just trying to get an  
16                  answer, sir, to a very, I think, simple  
17                  question.

18                  Is it the testimony of Endo,  
19                  Par and Qualitest corporate designee that  
20                  Endo, Qualitest, and Par's opioid  
21                  products were not abused or diverted?

22                  MS. VANNI:   Objection.

23   BY MR. BUCHANAN:

24                  Q.       Is that your testimony, sir?

1 MS. VANNI: Objection.

2 Asked and answered.

3 THE WITNESS: My testimony  
4 is that if these products are not  
5 properly controlled, they can be  
6 abused or diverted.

7 BY MR. BUCHANAN:

8 Q. Okay. I don't think we're  
9 communicating, are we?

10 MS. VANNI: Objection to  
11 colloquy.

12 BY MR. BUCHANAN:

13 Q. This feels like a Sunday  
14 morning talk show five minutes in.

15 Are you having a problem  
16 understanding my question?

17 MS. VANNI: Objection.

18 THE WITNESS: I don't --

19 I -- I'm not having a problem  
20 understanding your question.

21 BY MR. BUCHANAN:

22 Q. Okay. So my question, sir,  
23 and just as a -- it will really help us,  
24 I think, throughout the day, if I

1 understand really the point of view of  
2 the company with regard to whether or not  
3 its drugs have been -- have been abused  
4 or diverted.

5 MS. VANNI: Objection.

6 Asked and answered.

7 BY MR. BUCHANAN:

8 Q. Is it the companies'  
9 understanding that its drugs have not  
10 been abused or diverted?

11 MS. VANNI: Objection.

12 THE WITNESS: I'm saying  
13 that it's the companies'  
14 understanding that if its products  
15 are not properly controlled and  
16 kept within a closed system, that  
17 they can be abused or diverted.  
18 That's how I'm answering the  
19 question.

20 BY MR. BUCHANAN:

21 Q. I -- I understand that, as  
22 a -- as a speaker of the English  
23 language, do you understand my question?

24 MS. VANNI: Objection to

1 form. Argumentive.

2 BY MR. BUCHANAN:

3 Q. Do you understand what I'm  
4 asking?

5 A. I understand what you're  
6 asking.

7 Q. And you're electing not to  
8 answer it?

9 A. You're asking me if I have  
10 specific knowledge that our products have  
11 been abused, and I'm telling you that I  
12 do not.

13 Q. No, no.

14 A. What I -- what I'm telling  
15 you is that I have an understanding that  
16 if our products are not properly  
17 controlled, they can be abused or  
18 diverted.

19 Q. Would it surprise you to  
20 learn, sir, that, in fact, Endo's,  
21 Qualitest's, and Par's products were  
22 indeed abused and diverted?

23 MS. VANNI: Object to form.

24 BY MR. BUCHANAN:

1 Q. Would that surprise you?

2 A. As I stated, if our products  
3 are not properly controlled, they can be  
4 diverted.

5 Q. I'm asking you whether you'd  
6 be surprised to learn that your products  
7 were abused and diverted?

8 MS. VANNI: Object to form.

9 THE WITNESS: I would be  
10 surprised in the context that we  
11 have proper controls in place to  
12 prevent abuse and diversion.

13 BY MR. BUCHANAN:

14 Q. I -- what does that mean?  
15 I'm just asking you as a fact.

16 As a fact, would it be  
17 surprising to you, sir, that drugs were  
18 not used for legitimate medical need  
19 pursuant to proper prescription, would  
20 that surprise you?

21 MS. VANNI: Object to form.

22 THE WITNESS: I understand  
23 that there is an opioid abuse  
24 epidemic in this country.

1 BY MR. BUCHANAN:

2 Q. Okay.

3 A. And I understand that opioid  
4 products are making their way out of the  
5 closed system and are subject to abuse  
6 and diversion. Yes, I understand that.

7 Q. Okay. Okay. So we can  
8 agree on a few things then.

9 There's an opioid epidemic.

10 MS. VANNI: Object to form.

11 THE WITNESS: Opioid abuse  
12 epidemic.

13 BY MR. BUCHANAN:

14 Q. Okay. So, meaning opioids  
15 are being abused that were made for  
16 medical purposes, but are, in fact, being  
17 abused and used in illicit ways, fair?

18 A. I understand that there is  
19 abuse of opioids.

20 Q. You are, you, speaking for  
21 the company, are a very large  
22 manufacturer and distributor of opioid  
23 products, correct?

24 MS. VANNI: Object to form.

1 THE WITNESS: We are a  
2 manufacturer and distributor of  
3 opioid products.

4 BY MR. BUCHANAN:

5 Q. Okay. Looking at our chart  
6 here, we see billions and billions and  
7 billions of pills for one of the three  
8 entities that were made over the years of  
9 opioid products, correct?

10 MS. VANNI: Objection. Also  
11 objection to the use of this  
12 demonstrative with this witness.  
13 You're asking him to authenticate  
14 your demonstrative. I think it's  
15 an improper use.

16 MR. BUCHANAN: Well, that's  
17 interesting, because we've asked  
18 you to authenticate things and you  
19 just consistently refuse to do so.

20 So I do have a corporate rep  
21 who is here so...

22 BY MR. BUCHANAN:

23 Q. So are you aware of anything  
24 that's wrong with this chart, sir?

1           A.       What I see with this chart  
2       is an average of about 440 million  
3       tablets per year being distributed.

4           Q.       Consistent with your  
5       knowledge and understanding of Endo's  
6       production of opioids over the years,  
7       sir?

8           A.       It is.

9           Q.       Okay. So we see all the way  
10      back in 1999 hundreds of millions of  
11      opioid pills being made by Endo and  
12      entering the market, correct?

13                   MS. VANNI: Object to form.

14                   THE WITNESS: We see pills  
15                   being distributed to customer to  
16                   be distributed to patients who  
17                   need them.

18   BY MR. BUCHANAN:

19           Q.       Mm-hmm. And answering my  
20      question: Hundreds of millions of pills,  
21      correct?

22           A.       Is there a specific --

23           Q.       Back in 19 --

24           A.       Is there a specific year you

1 want me to?

2 Q. I was referring to 1999 to  
3 orient you.

4 A. 1999, 357 million.

5 Q. And we can go forward to  
6 2000 and we see, I guess, business has  
7 grown, right?

8 MS. VANNI: Object to form.

9 THE WITNESS: We see --

10 BY MR. BUCHANAN:

11 Q. Did you see more or less in  
12 2000?

13 A. We see 545 million in -- I'm  
14 sorry, 2000?

15 Q. 2000, what do you see?

16 A. 452 million.

17 Q. Yeah. And my question was,  
18 was it growing over 1999?

19 MS. VANNI: Object to form.

20 THE WITNESS: 2000 is a  
21 higher number than 1999.

22 BY MR. BUCHANAN:

23 Q. That would mean it's  
24 growing?

1 A. There's growth.

2 Q. Okay. And let's see, how  
3 did we do from 2000 to 2001, sir?

4 Doing better?

5 MS. VANNI: Object to form.

6 BY MR. BUCHANAN:

7 Q. Selling more?

8 MS. VANNI: Objection.

9 THE WITNESS: We're shipping  
10 more product to patients who need  
11 them.

12 BY MR. BUCHANAN:

13 Q. Okay. 500 plus million,  
14 half a billion pills; is that right?

15 A. 516 million.

16 Q. Okay.

17 MS. VANNI: Also note my  
18 objection that he is not a  
19 30(b)(6) on sales history.

20 BY MR. BUCHANAN:

21 Q. Okay. I believe, in fact,  
22 you are a designee on suspicious order  
23 monitoring, correct?

24 A. Correct.

1 Q. Okay. Each of the shipments  
2 that are memorialized in shipping records  
3 followed an order, right?

4 MS. VANNI: Object to form.

5 THE WITNESS: You need an  
6 order to ship a product.

7 BY MR. BUCHANAN:

8 Q. Understood. Since the  
9 beginning of Endo's existence, Endo has  
10 been charged with maintain -- maintaining  
11 effective controls against diversion,  
12 correct?

13 MS. VANNI: Object to form.

14 THE WITNESS: The  
15 regulations state that we need to  
16 have controls to prevent  
17 diversion.

18 BY MR. BUCHANAN:

19 Q. Not just any controls,  
20 right?

21 A. Can you clarify what you  
22 mean by that?

23 Q. You have to have effective  
24 controls, right?

1           A.       Yes. We have to have  
2       controls in place to prevent diversion.

3           Q.       You have to have -- what's  
4       the word you dropped?

5                   MS. VANNI: Object to form.

6       BY MR. BUCHANAN:

7           Q.       Effective controls, right?

8           A.       That those controls should  
9       be effective.

10          Q.       That's right.

11          A.       I don't disagree with you.

12          Q.       Okay. So from the  
13       beginning, from 1999 till today, Endo has  
14       been responsible for ensuring it has  
15       effective controls to prevent diversion,  
16       correct?

17          A.       By the regulations, that's  
18       what we need to do.

19          Q.       As a reasonable company,  
20       that's what you need to do --

21                   MS. VANNI: Object to form.

22       BY MR. BUCHANAN:

23          Q.       -- right?

24          A.       We have a responsibility to

1     abide by the regulations and make sure we  
2     have effective controls in place to  
3     prevent the abuse and diversion of our  
4     products, and that's what we've done.

5             Q.     As a human being or a  
6     company that's supposed to be acting like  
7     a human being, you have an obligation to  
8     keep this stuff in its channel, right?

9             MS. VANNI:   Object to form.

10            THE WITNESS:   I don't know  
11            what you mean by acting like a  
12            human being.   That's very vague.

13            What I can tell you is that  
14            we have a responsibility to abide  
15            by the regulations that are in  
16            place to prevent the abuse and  
17            diversion of our products.

18     BY MR. BUCHANAN:

19            Q.     Is there any doubt in your  
20     mind, sir, that this stuff is dangerous?

21            MS. VANNI:   Object to form.

22            THE WITNESS:   These  
23            products, if not properly  
24            controlled and kept within the

1 controlled system, can be abused  
2 and diverted and in that context  
3 could be dangerous.

4 BY MR. BUCHANAN:

5 Q. Dangerous how?

6 MS. VANNI: Object to form.

7 THE WITNESS: I understand  
8 they can lead to addiction which  
9 can lead to other problems.

10 BY MR. BUCHANAN:

11 Q. Like what?

12 MS. VANNI: Objection. It's  
13 beyond the scope of his 30(b)(6).

14 THE WITNESS: It can lead to  
15 all kinds of problems. I'm not a  
16 doctor, so I can't necessarily  
17 speak to the specifics of that.

18 BY MR. BUCHANAN:

19 Q. As a -- as an executive in a  
20 pharmaceutical company making opioids in  
21 2019, what are some of those dangers,  
22 sir?

23 MS. VANNI: Object to form.

24 THE WITNESS: Opioid

1           products, if not properly  
2           controlled, can lead to misuse,  
3           diversion, and abuse.

4       BY MR. BUCHANAN:

5           Q.       And what does that mean,  
6       sir?   What does that mean?

7           A.       That means they -- they can  
8       fall outside of the prescribed use for  
9       the products and could be dangerous.

10          Q.       Dangerous in the sense that  
11       they can kill people, right?

12                   MS. VANNI:   Object to form.

13                   THE WITNESS:   That could be  
14       one outcome.

15       BY MR. BUCHANAN:

16           Q.       Are you surprised to learn,  
17       sir, that as sales of opioid products  
18       have increased over the years, the body  
19       count from opioid deaths has increased?

20                   MS. VANNI:   Objection.

21       BY MR. BUCHANAN:

22           Q.       Year after year after year?

23                   MS. VANNI:   Objection.

24                   THE WITNESS:   As I stated

1           earlier, I understand that there  
2           is an opioid abuse epidemic in  
3           this country.

4       BY MR. BUCHANAN:

5           Q.       Okay. And I'm talking about  
6           one of those dangers with a senior  
7           executive of a company that's pretty big  
8           in opioids.

9                    So is one of those dangers,  
10          sir, death?

11                   MS. VANNI: Object to the  
12          colloquy.

13                   THE WITNESS: I don't have  
14          specific knowledge on the outcomes  
15          of opioid abuse.

16                   What I can tell you is that  
17          if our products are not properly  
18          controlled and kept within the  
19          closed system, they can be  
20          diverted and abused.

21                   Our focus as an organization  
22          is to put the right controls in  
23          place to make sure that these  
24          products are not abused and

1 diverted.

2 MR. BUCHANAN: Can we have  
3 the sales chart back up?

4 BY MR. BUCHANAN:

5 Q. So over the course of Endo's  
6 history, sir, it looks like you sold  
7 enough opioids to give, what, every human  
8 being in the United States a 30-count  
9 bottle?

10 MS. VANNI: Object to form.

11 BY MR. BUCHANAN:

12 Q. Every human being in the  
13 United States?

14 MS. VANNI: Same objection.

15 BY MR. BUCHANAN:

16 Q. Maybe a little shy. 29, 28  
17 pills?

18 A. We -- we've sold --

19 MS. VANNI: Same objection.

20 THE WITNESS: We've sold  
21 quantities of products based on  
22 orders from customers based on  
23 patients who need them.

24 BY MR. BUCHANAN:

1           Q.       So, I mean let's -- let's  
2       look at really what's happened at this  
3       same timeline.

4                   Am I correct, sir, in  
5       understanding that you don't have an  
6       appreciation that deaths secondary to  
7       opioid use have increased dramatically as  
8       use of opioids has increased  
9       dramatically?

10                  MS. VANNI:   Objection.  
11                  Misstates his testimony.

12                  THE WITNESS:   As I stated  
13                  earlier, I understand that there  
14                  is an opioid abuse epidemic in  
15                  this country.   And I understand  
16                  that death could be an outcome of  
17                  that.

18       BY MR. BUCHANAN:

19                  Q.       Okay.   Okay.   And then do  
20       you understand, sir, that as sales of  
21       opioids have gone up, yours included,  
22       deaths have gone up?

23                  MS. VANNI:   Objection.

24       BY MR. BUCHANAN:

1 Q. Do you have that  
2 understanding, sir?

3 A. I don't have specific  
4 knowledge about the number of -- of  
5 deaths related to opioid abuse.

6 Q. Okay. Am I correct, sir,  
7 you have current responsibility for DEA  
8 compliance?

9 A. I have responsibility for  
10 DEA compliance.

11 (Document marked for  
12 identification as Exhibit  
13 Endo-Macrides-7.)

14 BY MR. BUCHANAN:

15 Q. Passing you what we're  
16 marking as Exhibit 7 to your deposition.

17 In examining the companies'  
18 DEA compliance function, and the  
19 effectiveness of the companies' controls,  
20 have you sought to understand really what  
21 has happened in terms of abuse and death  
22 as sales have boomed?

23 MS. VANNI: Objection.

24 BY MR. BUCHANAN:

1 Q. Grown?

2 MS. VANNI: Objection to  
3 form. Beyond the scope of his  
4 30(b)(6). You can answer.

5 THE WITNESS: As I stated  
6 earlier, what I understand is that  
7 there is an opioid abuse epidemic  
8 in this country. And I understand  
9 that that has gotten worse over a  
10 period of time.

11 And as a responsible person  
12 for DEA compliance, we have  
13 continued to evolve and enhance  
14 our programs to ensure that we  
15 have the proper controls in place  
16 to prevent diversion and abuse.

17 BY MR. BUCHANAN:

18 Q. Okay. Well, let's look at  
19 where we were in 1999, sir. Where we  
20 were in this country in terms of deaths  
21 per 100,000 people in this country from  
22 opioids.

23 Do you see the chart in  
24 front of you?

1           A.       Yeah, I see a chart with a  
2       lot of colors on it.

3           Q.       Right. And what -- most of  
4       them are blue, right?

5           A.       Right.

6           Q.       You recognize blue as being  
7       a pretty good thing, or at least on the  
8       lower end of the scale, right?

9           MS. VANNI: Object to form.

10          THE WITNESS: I see the  
11       scale says estimated age, adjusted  
12       death rate. I see that.

13       BY MR. BUCHANAN:

14          Q.       Per 100,000. And you see  
15       you know, less than two is deep blue.  
16       And then, you know, going from blue to  
17       red. Red and brown. That's really where  
18       you don't want to be, right?

19          MS. VANNI: Object to form.

20          And object to use of this in any  
21       capacity as a 30(b)(6) witness.

22          THE WITNESS: I -- I  
23       don't --

24          MS. VANNI: Let me just

1 finish my objection, Steve.

2 THE WITNESS: Sorry.

3 MS. VANNI: He was noticed  
4 to provide testimony on the  
5 applicable procedures and policies  
6 of the company, and you're asking  
7 him now to interpret data, the  
8 source of which he doesn't even  
9 know.

10 MR. BUCHANAN: I -- I  
11 understand your objection. I  
12 think it fits either his 30(b)(6)  
13 or his personal capacity, Counsel.  
14 We don't have to fuss about it.

15 He is an executive with  
16 current responsibility over DEA  
17 compliance.

18 MS. VANNI: Just note my  
19 objection.

20 BY MR. BUCHANAN:

21 Q. But you'd agree, sir -- I  
22 don't think I got an answer to my last  
23 question.

24 You could agree that brown

1 is worse, right?

2 MS. VANNI: Object to form.

3 THE WITNESS: I'm just  
4 trying to interpret this.

5 BY MR. BUCHANAN:

6 Q. You haven't seen it before?

7 A. What -- what -- what is  
8 the --

9 Q. Let's start with --

10 A. -- estimated age adjusted  
11 death rate. Death from opioids? It  
12 doesn't say that.

13 Q. Have you seen this before,  
14 sir?

15 A. I don't believe I've seen  
16 these documents.

17 Q. Okay. Well, let's scroll  
18 forward in time. See, let's just kind of  
19 take a snapshot here. Let's go to 2005.  
20 You see that?

21 A. 2005.

22 Q. Actually let's go to --  
23 yeah, 2005 is good.

24 A. Okay.

1           Q.       You see the blue starting to  
2       get from deep blue to lighter blue, we're  
3       starting to see more orange or more brown  
4       in the chart?

5                   MS. VANNI: Object to form.

6                   THE WITNESS: I see that.

7       BY MR. BUCHANAN:

8           Q.       Okay. Let's move forward  
9       now to I guess around the time -- when  
10      did you say you joined the company?

11          A.       2012.

12          Q.       2012. Let's -- let's kind  
13      of scroll forward. 2012. Wow, we got a  
14      lot of brown and amber and red and  
15      yellow.

16                   A lot less blue, right, sir?

17                   MS. VANNI: Object to form.

18                   THE WITNESS: There's less  
19      blue than there was in the first  
20      chart.

21       BY MR. BUCHANAN:

22          Q.       A lot more brown, and a lot  
23      more red, right?

24                   MS. VANNI: Object to form.

1 THE WITNESS: I see that.

2 BY MR. BUCHANAN:

3 Q. Okay. And we're talking  
4 about brown, we're talking about  
5 age-adjusted death rates per 100,000  
6 people greater than 30, right?

7 A. That's what it says.

8 Q. Talking about the deepest  
9 blue, we are talking about less than two,  
10 right?

11 A. That's what it says.

12 Q. Okay. So we got a lot of  
13 bodies piling up in this country.

14 MS. VANNI: Object to form.

15 BY MR. BUCHANAN:

16 Q. Did you have that knowledge,  
17 sir?

18 MS. VANNI: Objection.

19 BY MR. BUCHANAN:

20 Q. Due to opioids?

21 MS. VANNI: Objection.

22 THE WITNESS: As I stated  
23 earlier, I -- I understand that  
24 there is an opioid abuse epidemic

1           in this country. And I understand  
2           that that has gotten worse over  
3           some time period.

4       BY MR. BUCHANAN:

5           Q.     Okay.

6           A.     As I stated earlier, we have  
7       put enhanced controls in place over the  
8       years to prevent the diversion and abuse  
9       of our products.

10                  I don't really know how to  
11       interpret these charts relative to Endo's  
12       products.

13                  What I can tell you is what  
14       I just stated.

15           Q.     Right. Would it surprise  
16       you, sir, that abuse and diversion was  
17       increasing over the years for opioids?

18           A.     I just --

19                  MS. VANNI: Object to form.

20                  THE WITNESS: -- stated that  
21       I understood there was an opioid  
22       abuse epidemic and it had been  
23       getting worse over some time  
24       period.

1 BY MR. BUCHANAN:

2 Q. Fair enough.

3 Okay. So we can agree, sir,  
4 that abuse and diversion were getting  
5 worse, right?

6 MS. VANNI: Object to form.

7 THE WITNESS: I understand  
8 that there is an opioid abuse  
9 epidemic in this country and that  
10 it has gotten worse over some time  
11 period.

12 BY MR. BUCHANAN:

13 Q. We can agree that deaths in  
14 terms of the frequency of people dying  
15 has gotten worse, right?

16 MS. VANNI: Object to form.

17 THE WITNESS: I understand  
18 that death is an outcome,  
19 potential outcome of opioid abuse.

20 BY MR. BUCHANAN:

21 Q. And it's gotten worse?

22 MS. VANNI: Objection.

23 BY MR. BUCHANAN:

24 Q. Do we have to fuss that?

1 I'm not asking for a  
2 specific number, sir.

3 But do you have a general  
4 understanding that in 2019, we are in a  
5 far worse place in terms of opioid abuse,  
6 diversion and death than we were in 1999?

7 MS. VANNI: Objection to  
8 form and beyond the scope.

9 THE WITNESS: I've already  
10 stated that I understand that  
11 there's an opioid epidemic abuse  
12 in this country and that it's  
13 gotten worse over some period of  
14 time.

15 BY MR. BUCHANAN:

16 Q. Okay. And so I guess as far  
17 out as this goes, is 2016. And this  
18 would be around the time, you assumed --  
19 was this the year that you assumed  
20 responsibility for, I guess, DEA  
21 compliance that Endo reported into you?

22 A. I assumed responsibility for  
23 DEA compliance in early 2015.

24 Q. Okay. So you had

1 responsibility for DEA compliance in  
2 2016; is that right?

3 A. I did.

4 Q. And would that be for all of  
5 the Endo entities, Par, Qualitest, and  
6 Endo?

7 A. That would have been for  
8 Qualitest.

9 Q. Okay. So Qualitest Par at  
10 that --

11 A. And Par at some point during  
12 that time point.

13 Q. Whenever the transition --

14 A. Whenever the transaction was  
15 finalized.

16 Q. When did you assume  
17 responsibility for Endo's DEA compliance,  
18 Endo -- this gets a little confusing  
19 today. So let's just take a step back  
20 and make sure we have terminology clear.

21 Endo is the parent company;  
22 is that right?

23 A. Endo International is the  
24 parent company.

1 Q. Okay. There's an operating  
2 company known as Endo, right?

3 A. Right.

4 Q. That line of business  
5 includes the company's branded portfolio;  
6 is that accurate?

7 A. That would be accurate.

8 Q. Okay. There's an operating  
9 company known as Par today?

10 A. Correct.

11 Q. Just owned by the Irish Endo  
12 entity, correct?

13 A. Correct.

14 Q. Par today owns what used to  
15 be Endo's generic business, as well as  
16 what used to be called Qualitest's  
17 business, correct?

18 MS. VANNI: Object to form.  
19 He's also not a corporate designee  
20 on corporate structure, corporate  
21 history.

22 BY MR. BUCHANAN:

23 Q. And I'm really not trying to  
24 do that, you know, for a legal purpose.

1 I just want to make sure we're clear in  
2 communicating today, because it could get  
3 confusing.

4 A. What I can tell you is Par  
5 had a generics business. Endo had a  
6 generics business that it operated as  
7 Qualitest. Par and Qualitest were merged  
8 into a single generics business that now  
9 operates under the Par name.

10 Q. Okay. So the current -- the  
11 current generics business is all under  
12 the Par name. Is it in the Par entity?

13 MS. VANNI: Object to form.

14 THE WITNESS: I'm not an  
15 expert on our legal entity  
16 structure. Our generics business  
17 operates under the Par name.

18 BY MR. BUCHANAN:

19 Q. Okay.

20 A. That's what I can tell you.

21 Q. We have named Par and we  
22 have named Endo.

23 A. Right.

24 Q. I want to know when I talk

1 about Par as the legal entity that we've  
2 sued, that I'm talking about Par and all  
3 of -- any of the Endo affiliates'  
4 generics businesses. Would that be  
5 accurate?

6 MS. VANNI: Object to form.

7 BY MR. BUCHANAN:

8 Q. To the best of your  
9 knowledge?

10 A. To the best of my knowledge,  
11 that's accurate.

12 Q. Okay. The way you  
13 understand the company is currently  
14 operating and configured, the branded  
15 business exists within the Endo  
16 affiliate, subsidiary, and the generic  
17 business operates under the Par  
18 affiliate; is that accurate?

19 A. That's accurate.

20 Q. Thank you.

21 Okay. So where we are in  
22 2016 here, back to our chart, sir, you  
23 have assumed responsibility as of  
24 2015/2016 for the Par and Qualitest DEA

1 compliance responsibility. And I guess  
2 I'd say it reported into you. You were  
3 not the boots on the ground, so to speak,  
4 on DEA compliance, right?

5 MS. VANNI: Object to form.

6 THE WITNESS: Correct.

7 BY MR. BUCHANAN:

8 Q. Okay. But this is a  
9 snapshot, at least of where we are, in  
10 terms of the epidemic that you understand  
11 we are currently in as of 2016. It's  
12 722.18.

13 MS. VANNI: Object to form.

14 BY MR. BUCHANAN:

15 Q. The number is in the top  
16 right corner. Fair to say, sir, in this  
17 chart, we're in a pretty different place  
18 than we were in 1999?

19 MS. VANNI: Object to form.

20 THE WITNESS: I see  
21 different colors than I saw in the  
22 earlier charts.

23 BY MR. BUCHANAN:

24 Q. Okay. And those different

1 colors, indicating that -- well, per  
2 100,000 people, a lot of people are  
3 dying?

4 MS. VANNI: Object.

5 BY MR. BUCHANAN:

6 Q. Right?

7 MS. VANNI: Object to form.

8 THE WITNESS: I see the  
9 colors changing. I don't know the  
10 origin of these charts.

11 BY MR. BUCHANAN:

12 Q. As a person who had at least  
13 the ability to dictate and direct and  
14 fund DEA compliance within Qualitest and  
15 Par, you were not aware, really, of the  
16 details of the scope of the epidemic as  
17 of 2016?

18 MS. VANNI: Object to form.

19 THE WITNESS: I stated  
20 earlier that I understand that  
21 this is an opioid abuse epidemic  
22 in this country. I understand  
23 that that has gotten worse over  
24 some time period.

1                   And certainly that knowledge  
2                   and information would be taken  
3                   into consideration as we enhance  
4                   and develop our programs to  
5                   prevent diversion and abuse.

6       BY MR. BUCHANAN:

7               Q.       Okay. But it's really not  
8       news that opioids are addictive, right?

9                   MS. VANNI: Object to form.

10      BY MR. BUCHANAN:

11           Q.       Is that news to you?

12           A.       I understand that opioids  
13       can be addictive.

14           Q.       And you knew that, sir,  
15       before you went and worked for an opioid  
16       manufacturer, didn't you?

17                   MS. VANNI: Object to form.

18                   THE WITNESS: I understand  
19       that opioids can be addictive.

20      BY MR. BUCHANAN:

21           Q.       Right. Because, I mean,  
22       these drugs, whether derived directly  
23       from poppies or the milk from poppies  
24       that's dried out, or synthetically

1       derived, they go back a long period of  
2       time, right?

3                       MS. VANNI: Object to form.

4                       And beyond the scope of his  
5                       30 (b) (6) .

6       BY MR. BUCHANAN:

7                       Q.       Do you have that knowledge,  
8       sir?

9                       A.       I don't understand the  
10       complete history of opioids. But I do  
11       understand that they've been around for a  
12       number of years.

13                      Q.       Right. And we know poppies,  
14       and you probably learned this in college,  
15       were used by Egyptians thousands of years  
16       ago and were known for their addictive  
17       and abuse properties.

18                      Did you know that?

19                      MS. VANNI: Object to form.

20                      THE WITNESS: I understand  
21       that opioids can be addictive.  
22       Opioids also serve a real purpose  
23       to patients with chronic pain who  
24       need these products.

1 BY MR. BUCHANAN:

2 Q. And that's why, because  
3 they're addictive, because they're prone  
4 to abuse and have been forever, and you  
5 keep this stuff in cages and vaults in  
6 your warehouses, right?

7 MS. VANNI: Object to form.

8 THE WITNESS: We keep the  
9 product in controlled areas based  
10 on what the regulations state that  
11 we need to do. There are  
12 regulations to control these  
13 products because, if not  
14 controlled properly, they can be  
15 diverted and abused.

16 BY MR. BUCHANAN:

17 Q. To answer my question, sir,  
18 your oxycodone products, for example,  
19 controlled substance, right? That's a  
20 yes answer?

21 A. Yes.

22 Q. I knew it, but it won't show  
23 up on the transcript if you don't speak.

24 A. Understood.

1 Q. Okay. Schedule II?

2 A. Schedule II.

3 Q. Got to store it in a safe?

4 A. It has to be stored in a  
5 vault or a safe per regulations.

6 Q. In a vault or a safe.

7 Why do you think that is,  
8 sir?

9 MS. VANNI: Object to form.  
10 Beyond the scope.

11 THE WITNESS: The  
12 regulations require us to store  
13 these products in vaults and safes  
14 because they have the potential to  
15 be diverted or abused.

16 BY MR. BUCHANAN:

17 Q. Right.

18 In the warehouse you've got  
19 to store this stuff in a safe, correct?

20 MS. VANNI: Objection.

21 Asked and answered.

22 THE WITNESS: The product is  
23 stored in a vault with a number of  
24 controls around how it's handled,

1           how it's moved through the  
2           facility, and how it's ultimately  
3           manufactured and distributed.

4       BY MR. BUCHANAN:

5           Q.     Right. When you move the  
6           product through the facility, you got to  
7           have two people moving it from Point A to  
8           Point B, right?

9           A.     We have a number of controls  
10          in place to ensure that the product isn't  
11          diverted as it moves through the  
12          facility.

13          Q.     Do you agree with me what I  
14          just said, sir, that's one of them  
15          though? You've got to have two people  
16          watching it?

17          A.     One of -- one of the  
18          controls we have is to ensure that we  
19          have multiple people managing the product  
20          as it moves through the facility.

21          Q.     Because this stuff is highly  
22          prone to being diverted, correct?

23                   MS. VANNI: Objection.

24                   Asked and answered.

1                   THE WITNESS:   These  
2                   products, Schedule II products,  
3                   can be diverted, have a high  
4                   propensity to be diverted.  
5                   Therefore, there are controls in  
6                   place required by the regulations  
7                   for manufacturers and distributors  
8                   to abide by.

9   BY MR. BUCHANAN:

10                  Q.       So whenever --

11                  A.       Those are the controls that  
12                  we implement. Those are the controls  
13                  that we follow.

14                  Q.       So -- in the warehouse, keep  
15                  it in a vault. Moving it to the  
16                  manufacturing line, the raw material to  
17                  make the pills, got to have two people  
18                  watching it.

19                           On the line you've got to  
20                  have people watching each other on the  
21                  line so they don't slip it in their  
22                  gloves, put it in their pockets, or  
23                  otherwise try and I guess take, damaged  
24                  pills, finished pills, all concerns

1     because of the abuse potential for these  
2     drugs, in the warehouse, or in the  
3     manufacturing plant, fair?

4                   MS. VANNI: Object to form.

5                   THE WITNESS: We treat these  
6     products very uniquely versus  
7     products that are noncontrolled.

8                   And we have a whole set of  
9     controls that apply to the  
10    handling of Schedule II products  
11    as they move through the facility,  
12    so that we can prevent the abuse  
13    and diversion of these products  
14    and ensure that they get to the  
15    patients who need them.

16    BY MR. BUCHANAN:

17                  Q.     You'd agree with me, sir,  
18    that the concern that's exercised with  
19    keeping it in a vault or in a safe or  
20    making sure that your own employees are  
21    not trying to slip it into the gloves or  
22    take it out the door, it shouldn't stop  
23    at the point in time when you receive an  
24    order for the product, right?

1 MS. VANNI: Object to form.

2 THE WITNESS: There -- there  
3 are other regulations, controls,  
4 that we follow that would more be  
5 under the category of suspicious  
6 order monitoring when it comes to  
7 DEA compliance, to ensure that  
8 orders are properly reviewed,  
9 investigated before they are  
10 distributed.

11 BY MR. BUCHANAN:

12 Q. Okay. And that's what I  
13 wanted to understand.

14 So the concern that you have  
15 and the care you have to take with  
16 handling this product in the warehouse or  
17 handling this product in manufacturing  
18 with your own employees, people who you  
19 trust and hire, has to be exercised in  
20 investigating, in reviewing, every single  
21 order you receive, because that concern  
22 doesn't stop in the warehouse, right?

23 MS. VANNI: Object to form.

24 THE WITNESS: The control --

1           the proper control of these  
2           products extends throughout the  
3           supply chain.

4       BY MR. BUCHANAN:

5           Q.       Right. So when the company  
6           receives an order for one of its  
7           controlled products, it has an obligation  
8           to maintain effective controls against  
9           diversion with regard to the orders it  
10          receives, right?

11                   MS. VANNI: Object to form.

12                   THE WITNESS: We have a  
13           responsibility under the  
14           regulations to make sure that we  
15           are reviewing orders, that we are  
16           understanding any orders of  
17           interest, we are investigating  
18           those. And if it comes to it, and  
19           if we determine that the order is  
20           suspicious, then not to ship that  
21           order.

22       BY MR. BUCHANAN:

23           Q.       Okay. So we were looking at  
24           the Endo orders just a moment ago, just

1 to give us some context. I believe it's  
2 Exhibit 4.

3 Let's look at 1999. You  
4 know, shipped -- shipped hundreds of  
5 millions of opioid products in 1999.  
6 Every one of those was by an order.

7 And how many suspicious  
8 orders did the company report to the DEA  
9 in 1999 for Endo products, sir?

10 MS. VANNI: Object to form.  
11 The colloquy.

12 THE WITNESS: I don't  
13 believe we reported any suspicious  
14 orders as an outcome of our  
15 investigations.

16 BY MR. BUCHANAN:

17 Q. Okay. So in 1999 the  
18 company reported no suspicious orders to  
19 the DEA for Endo's orders?

20 A. I don't believe we reported  
21 any suspicious orders to the DEA in 1999  
22 as a result of our investigations.

23 Q. Okay. How about in 2000,  
24 we've got, you know, hundreds of millions

1 of pills again, 400 million plus. I  
2 guess that's also syrups, so dosage units  
3 of syrups.

4 400-plus million pills and  
5 dosage units all pursuant to orders. And  
6 how many suspicious orders did -- did  
7 Endo report to the DEA for 2000?

8 MS. VANNI: Object to form.

9 THE WITNESS: I don't  
10 believe we reported any suspicious  
11 orders in 2000 as an outcome of  
12 our investigations into anything  
13 that was of interest.

14 BY MR. BUCHANAN:

15 Q. Okay. How about 2001, it  
16 looks like -- well, sales are growing.  
17 We talked about that a moment ago.  
18 500-plus million pills and dosage units  
19 for Endo in 2001.

20 How many suspicious orders  
21 got reported to the DEA that year?

22 MS. VANNI: Object to the  
23 colloquy. You can answer.

24 THE WITNESS: I don't

1           believe we reported any suspicious  
2           orders to DEA after the outcome of  
3           our invest -- as an outcome of our  
4           investigations into anything that  
5           was of interest.

6       BY MR. BUCHANAN:

7           Q.     Oh. Okay. So thousands and  
8           thousands and thousands of orders, right?

9           A.     We had orders. I can't tell  
10          you specifically how many orders we had.  
11          But we had orders that represented these  
12          quantities.

13          Q.     Okay. That -- that on an  
14          annual basis would give every American an  
15          opioid, right?

16                 MS. VANNI: Object to form.

17                 THE WITNESS: We got  
18                 order -- we received orders for  
19                 opioids from our customers who in  
20                 turn sold them to patients who  
21                 needed them.

22       BY MR. BUCHANAN:

23           Q.     And not one suspicious order  
24           was reported to the DEA in 2001?

1           A.       We did not report any  
2       suspicious orders to DEA after  
3       investigating internally any orders that  
4       we deemed as of interest.

5           Q.       Okay.   How about 2002?  
6       Sales still on the move.   Growing along,  
7       I guess we can pull out our -- our death  
8       map that we looked at a moment ago.   We'd  
9       see the deep blue going to lighter blue,  
10      going to tan and yellow, and more people  
11      dying.

12                   How many suspicious orders  
13      did you report to the DEA in 2002?

14                   MS. VANNI:   Objection.

15                   THE WITNESS:   I don't  
16      believe we reported any orders,  
17      suspicious orders to DEA as an  
18      outcome of our internal  
19      investigations into any orders of  
20      interest.

21      BY MR. BUCHANAN:

22           Q.       Okay.   2003, sales still on  
23      the move, right?   We are back on  
24      Exhibit 4.

1                   800 million pills, opioids,  
2           dosage units in 2003. All pursuant to  
3           orders the company received, right?

4                   MS. VANNI: Object to form.

5                   THE WITNESS: Yes. We would  
6           receive orders to represent those  
7           quantities shipped.

8           BY MR. BUCHANAN:

9                   Q.       Okay. And how many of those  
10          did the company identify as suspicious?

11                  A.       I don't believe we reported  
12          any suspicious orders to the DEA as an  
13          outcome of our internal investigations  
14          into any orders of interest.

15                  Q.       Okay. So you didn't report  
16          any over this period of time as we just  
17          looked at a five-year window.

18                         How many did you not ship?

19                  A.       I don't believe we  
20          ultimately -- we ultimately shipped all  
21          of these orders as an outcome of our  
22          internal investigations into any orders  
23          of interest.

24                  Q.       Okay. So you've got a drug

1     that is -- a drug, I'm sorry, 15 or more  
2     drugs that Endo is making, highly prone  
3     to abuse and diversion over which, for as  
4     long as you've been selling them, you've  
5     got to keep them in vaults and cages and  
6     under camera and under a watchful eye for  
7     which you receive thousands of orders,  
8     and which you've shipped as of this point  
9     in time a few billion pills, right?

10                   MS. VANNI: Object to form.

11     BY MR. BUCHANAN:

12                   Q.     Or dosage units?

13                   MS. VANNI: Same objection.

14     BY MR. BUCHANAN:

15                   Q.     Would that be right?

16                   A.     That would be correct.

17                   Q.     Okay. Hadn't identified a  
18     single suspicious order in that five-year  
19     period of time?

20                   A.     As I stated, any orders that  
21     were deemed of interest based on our  
22     internal reviews under our suspicious  
23     order monitoring system would have been  
24     reviewed and investigated. If we

1       determined the order to not be  
2       suspicious, we would have shipped it.

3               MS. VANNI:   David, we've  
4               been going about an hour, whenever  
5               we can take a break.

6               MR. BUCHANAN:   Yeah.   Let me  
7               finish this.   Can I finish this  
8               thread?

9       BY MR. BUCHANAN:

10              Q.       Are you okay?   It will be  
11       under five minutes.

12              MS. VANNI:   We can finish  
13       this thread.

14              THE WITNESS:   Okay.

15       BY MR. BUCHANAN:

16              Q.       So, sir, we can go forward  
17       in time here, and I guess we can do it  
18       year by year and maybe my tech can blow  
19       out the bottom, but so we don't belabor  
20       this too much.   Hundreds of millions of  
21       pills and dosage units year after year  
22       shipped by Endo for its opioid products,  
23       fair?

24              MS. VANNI:   Object to form.

1 THE WITNESS: Are you asking  
2 me to verify the number here?

3 BY MR. BUCHANAN:

4 Q. That's what I'm saying. If  
5 you look forward in time, sir, for the  
6 remaining 2004 to the end?

7 A. Right.

8 Q. Okay. And we go, you know,  
9 eight-plus billion pills and dosage units  
10 for the Endo entity?

11 A. Over an 18-year period, yes,  
12 that's what it says here.

13 Q. Yeah, and in fact we'll talk  
14 about it a little later that, for some of  
15 the later years, some of these products  
16 got moved into the Qualitest and Par  
17 affiliates, right?

18 A. They did.

19 Q. Okay. Like Endocet and  
20 Percocet. And there are some big numbers  
21 on here for those products. In the  
22 earlier period of time they got pushed  
23 into the ledger for Qualitest, at a later  
24 point in time, right?

1 MS. VANNI: Object to form.

2 THE WITNESS: Some of these  
3 generics were moved into the  
4 generic operating unit.

5 BY MR. BUCHANAN:

6 Q. Okay. Still made by, if you  
7 will, the Endo family of companies, but  
8 just for the corporate organization, the  
9 branded ultimately got shipped -- excuse  
10 me -- organized into the Endo subsidiary,  
11 and the generic ultimately got organized  
12 into the Par/Qualitest subsidiary, right?

13 MS. VANNI: Object to form  
14 beyond the scope of 30(b)(6).

15 THE WITNESS: Some of these  
16 products were sold by different  
17 entities over the time period.

18 BY MR. BUCHANAN:

19 Q. Okay. So where we land  
20 though, with regard to Endo the entity,  
21 that's reflected, the sales data that's  
22 been provided to us, is some eight  
23 billion dosage units and pills over the  
24 course of many years, fair?

1           A.       Over the course of about  
2       18 years.

3           Q.       With thousands and thousands  
4       and thousands of orders, right?

5                   MS. VANNI: Object to form.

6                   THE WITNESS: I don't know  
7       exactly how many orders. There  
8       were orders that reflect these  
9       quantities.

10       BY MR. BUCHANAN:

11           Q.       Please tell the jury how  
12       many of those orders the company didn't  
13       ship.

14                   MS. VANNI: Object to form.

15                   THE WITNESS: We shipped all  
16       of those orders after thorough  
17       review within our SOM system, and  
18       any investigations into orders of  
19       interest to make a determination  
20       if the order was suspicious or  
21       not.

22       BY MR. BUCHANAN:

23           Q.       Every single order Endo  
24       received, it shipped; is that correct,

1       sir?

2                               MS. VANNI: Object to form.

3                               THE WITNESS: We shipped  
4       these orders after thorough review  
5       under our suspicious order  
6       monitoring system, under our  
7       distributor's suspicious order  
8       monitoring system, and the orders  
9       were deemed to not be suspicious  
10      and they were shipped.

11                           MR. BUCHANAN: Move to  
12      strike the nonresponsive portion.

13   BY MR. BUCHANAN:

14               Q.      My question, sir, is, every  
15   single order that Endo received for its  
16   opioid products, it shipped, correct?

17                           MS. VANNI: Object to form.

18                           THE WITNESS: The orders  
19      you're referencing --

20   BY MR. BUCHANAN:

21               Q.      Yes or no?

22               A.      The orders you're  
23   referencing shipped after thorough review  
24   and investigation into any orders of

1 issues through our suspicious order  
2 monitoring system. That's my answer.

3 Q. Not a single one was ever  
4 reported to DEA?

5 A. If an order had been  
6 determined to be suspicious, it would  
7 have been reported to DEA.

8 Q. As a numbers matter, sir,  
9 just stay with my question.

10 Did the company ever report  
11 any order that Endo received for any of  
12 its opioid products over the period of  
13 time, 1999 to present to the DEA as a  
14 suspicious order?

15 MS. VANNI: Object to form.

16 THE WITNESS: If an order  
17 was deemed suspicious --

18 BY MR. BUCHANAN:

19 Q. Did the company ever do it?

20 A. If the order was -- if an  
21 order was deemed suspicious, it would  
22 have been reported to the DEA.

23 Q. It doesn't answer my  
24 question. I just want the fact. Not an

1 if. Did the company ever report any  
2 order that Endo received for any of its  
3 opioid products from 1999 to 2019 to the  
4 DEA as suspicious?

5 MS. VANNI: Object to form.

6 BY MR. BUCHANAN:

7 Q. Did it ever do that?

8 A. We --

9 Q. You've got to answer it yes  
10 or no, sir.

11 A. We did not have any orders  
12 that we deemed suspicious during that  
13 time period.

14 Q. So the answer to my  
15 question --

16 A. So the orders were  
17 subsequently shipped.

18 Q. My question was, did you  
19 ever report any order that Endo received  
20 for any controlled substance over the  
21 last 20 years to the DEA ever?

22 MS. VANNI: Objection.

23 Asked and answered.

24 THE WITNESS: I think I

1                   answered your question.

2       BY MR. BUCHANAN:

3                   Q.       You haven't. You haven't.  
4       You're answering something that you'd  
5       like me to ask you. But I'm not asking  
6       you that.

7                               MS. VANNI: Objection to the  
8                   colloquy.

9       BY MR. BUCHANAN:

10                  Q.       My question to you is, did  
11       Endo ever report any order to the DEA as  
12       a suspicious order for any Endo product  
13       from 1999 to present?

14                  A.       And my answer, is that we  
15       determined through our SOMs system that  
16       the orders you're referring to were not  
17       suspicious and, therefore, we did not  
18       report any suspicious orders to the DEA  
19       during that time period.

20                  Q.       So the answer to my  
21       question, sir, is you did not report any  
22       orders to the DEA during that time  
23       period, correct?

24                               MS. VANNI: Objection.

1           Asked and answered. Misstates his  
2           testimony. You just don't like  
3           his answer.

4           THE WITNESS: That's what I  
5           just stated.

6           MR. BUCHANAN: Thank you.  
7           We can take a break.

8           THE VIDEOGRAPHER: Off the  
9           record at 10:14 a.m.

10          (Short break.)

11          THE VIDEOGRAPHER: We are  
12          back on the record at 10:30 a.m.

13   BY MR. BUCHANAN:

14           Q.     Mr. Macrides, we kind of got  
15           into it pretty early. I just wanted to  
16           circle back with your 30(b)(6) notice.

17                    You obviously did some work  
18           to prepare for today, fair?

19           A.     Fair.

20           Q.     Okay. Who did you talk to  
21           other than counsel?

22           A.     I spoke with Lisa Walker who  
23           currently works within Endo.

24           Q.     Okay.

1           A.       I spoke with Angela Feniger  
2       who has some history with DEA compliance  
3       on the Par side of the business.

4           Q.       Could you clarify on the Par  
5       side? Just because of the merger I get  
6       confused.

7           A.       So -- so she would -- she  
8       was essentially the head of DEA  
9       compliance for Par prior to its  
10      acquisition by Endo. And then she  
11      continued in that capacity for some  
12      period of time after the acquisition.

13          Q.       Is she still with the  
14      company?

15          A.       She's still with the  
16      company. She actually works in the  
17      quality organization now.

18          Q.       So she's not in DEA  
19      compliance currently?

20          A.       Not anymore.

21          Q.       What was her title when she  
22      was at Par?

23          A.       I think it was -- I don't  
24      remember exactly. I think she had

1     quality compliance and DEA compliance in  
2     her title.

3             Q.     Okay. So she had a -- she  
4     wore multiple hats?

5             A.     She wore multiple hats.

6             Q.     Okay. Anyone else you spoke  
7     with?

8             A.     I spoke with Mike  
9     Meggiolaro, who is our current head of  
10    DEA compliance.

11            Q.     And how long has he been in  
12    that capacity?

13            A.     He has been in that capacity  
14    since June of 2018.

15            Q.     Gotcha. Anyone else?

16            A.     He has a person, Mary-Lou  
17    Schoonover, who is currently our manager  
18    of suspicious order monitoring.

19            Q.     So if I was looking on an  
20    org chart today, I'd see Mike Meggiolaro  
21    as the head of DEA compliance. And I'd  
22    see Mary-Lou Schoonover underneath of him  
23    as somebody who does SOMs or suspicious  
24    order monitoring?

1                   A.       Correct.

2                   Q.       Gotcha.  Anyone else you  
3 spoke with?

4                   A.       I think that's it.  Well, I  
5 spoke with -- with counsel.

6                   Q.       Okay.  And let -- let's talk  
7 about the time you spent with each of  
8 these four individuals.  Was that time  
9 together with counsel or without counsel?

10                  A.       With counsel.

11                  Q.       Okay.  So how many meetings  
12 did you have with counsel?

13                  A.       I'm going to say five or  
14 six.

15                  Q.       Okay.  Beginning when?

16                  A.       In the January time frame.  
17 I think this thing has been delayed a few  
18 times.

19                  Q.       I thought at your request,  
20 but --

21                  A.       I don't know.  I'm just  
22 telling you what I know.

23                  Q.       I would have rather have  
24 done it two months ago, sir.

1 All right. So you said four  
2 or five times. Roughly how long was each  
3 meeting?

4 A. The meetings probably ranged  
5 in time frame anywhere from four to six  
6 or seven hours.

7 Q. Okay. So apart from your  
8 time in these meetings, did you have  
9 teleconferences or kind of review  
10 sessions where you'd look at stuff on the  
11 screen?

12 A. No.

13 Q. Okay. Did you have any  
14 teleconferences?

15 A. We had a few  
16 teleconferences, very brief.

17 Q. Okay. Most of your prep  
18 work with counsel was in meetings,  
19 those --

20 A. In meetings.

21 Q. Okay. Where did you do  
22 that, over in Ireland?

23 A. I've been spending --

24 MS. VANNI: Object to form.

1 THE WITNESS: I've been  
2 spending more time in the U.S. in  
3 the first quarter. So we did it  
4 over here in the U.S.

5 BY MR. BUCHANAN:

6 Q. Okay. Okay. So you're in  
7 Malvern now?

8 A. My job requires me to be in  
9 a lot of places.

10 Q. Okay. At least with regard  
11 to the first quarter of 2019, have you  
12 been more in the Pennsylvania area?

13 MS. VANNI: Object to form.

14 THE WITNESS: I've been in  
15 Pennsylvania. I've been in New  
16 York. I've been in various  
17 places.

18 BY MR. BUCHANAN:

19 Q. Okay. So we've got the --  
20 the four to five meetings. That sounds  
21 right to you, four to five meetings, or  
22 more?

23 A. I said five to six I  
24 believe.

1           Q.       Five to six meetings, okay.  
2       I apologize.

3                       So that still -- as we're  
4       talking through this and you're thinking  
5       about the people you've met with and over  
6       the time period, is that --

7           A.       That sounds about right.

8           Q.       Okay. And somewhere between  
9       a half a day and a full day each of these  
10      meetings?

11          A.       Yes.

12                    MS. VANNI: Object to form.

13       BY MR. BUCHANAN:

14          Q.       Okay. Apart from your time  
15      with counsel, you know, in the meetings,  
16      were you reviewing things that you were  
17      provided or that you accessed on your  
18      own?

19          A.       I would say yes, I reviewed  
20      certain documents on my own.

21          Q.       Okay. And did those refresh  
22      your recollection, sir, or at least  
23      assist you in preparing for your  
24      testimony today?

1 MS. VANNI: Object to form.

2 THE WITNESS: I would  
3 categorize those documents as  
4 helping prepare me for today.

5 BY MR. BUCHANAN:

6 Q. In some respects, you were  
7 probably learning things, right?

8 MS. VANNI: Object to form.

9 THE WITNESS: In my 30(b)(6)  
10 capacity I think I learned some  
11 things. I think that's a fair  
12 statement.

13 BY MR. BUCHANAN:

14 Q. Right. And so what did you  
15 look at to learn the things you learned?

16 MS. VANNI: Object to form.  
17 He's not going to tell you  
18 specific documents that he  
19 reviewed. That's privileged.

20 MR. BUCHANAN: I don't think  
21 it is. It's the foundation for a  
22 30(b)(6) testimony.

23 MS. VANNI: Okay. Well, we  
24 can agree to disagree. You can

1 ask him about categories of  
2 documents. He's already told you  
3 amply how he's prepared for today.

4 We'll represent to you that  
5 he has not seen anything that  
6 hasn't already been produced in  
7 this litigation.

8 BY MR. BUCHANAN:

9 Q. Okay. Did you review  
10 testimony, sir?

11 A. I read some depositions.

12 Q. Okay. Did you review the  
13 deposition of Mr. Brantley?

14 A. I did.

15 Q. Did you review the  
16 deposition of Ms. Walker?

17 A. I did.

18 Q. Did you review the testimony  
19 of Ms. Hernandez Norton?

20 A. I did.

21 Q. Any other witnesses that you  
22 reviewed?

23 A. No.

24 Q. Did you review the videos of

1       those witnesses' testimony?

2               A.       I viewed brief video clips  
3       of Lisa Walker's testimony and of Tracey  
4       Norton Hernandez's testimony.

5               Q.       Okay. And did they help  
6       acquaint you with particular issues?

7               A.       I would say they clarified  
8       certain things for me.

9               Q.       Is their testimony the  
10       foundation of testimony you're going to  
11       provide to us today?

12                       MS. VANNI: Object to form.

13                       THE WITNESS: I would say  
14       no.

15       BY MR. BUCHANAN:

16               Q.       Did you review the exhibits  
17       to their depositions, any of them?

18                       MS. VANNI: Object to form.

19                       THE WITNESS: I may have  
20       viewed some of them. Mostly I  
21       read the text.

22       BY MR. BUCHANAN:

23               Q.       Okay. Did you talk to  
24       anyone else within Endo, Qualitest, Par,

1 current employees or former employees as  
2 part of your preparation?

3 A. I did not.

4 Q. Okay. Nobody else in the  
5 management team, executive team, of the  
6 companies?

7 A. No.

8 Q. No third parties?

9 A. No.

10 Q. Okay. I wanted to circle  
11 back to something that we talked about  
12 before in terms of your awareness or not  
13 of Endo's products being diverted.

14 MR. BUCHANAN: Could we pull  
15 up 550 and provide a copy to  
16 counsel.

17 MS. VANNI: Note my  
18 objection to the colloquy.

19 MR. BUCHANAN: I'm sorry,  
20 what did I say? It seems pretty  
21 innocuous to me, but...

22 (Document marked for  
23 identification as Exhibit  
24 Endo-Macrides-8.)

1 BY MR. BUCHANAN:

2 Q. I'm passing you, sir, what  
3 we're marking as Exhibit 8 to your  
4 deposition.

5 MS. VANNI: Thank you.

6 BY MR. BUCHANAN:

7 Q. Sir, you'll recall before  
8 the break we were talking about your  
9 awareness or not of Endo's products being  
10 diverted. Do you recall that?

11 A. I recall that.

12 Q. Okay. Showing you what is  
13 an e-mail from Mr. Barto to Ms. Connell  
14 from 2003, subject revised DEA meeting  
15 minutes. Do you see that?

16 A. I see it.

17 Q. Okay. Who's Mr. Barto?

18 A. I believe he was a former  
19 employee of Endo.

20 Q. You recognize him as being  
21 in regulatory affairs for Endo?

22 A. It says here that he worked  
23 in regulatory affairs.

24 Q. Okay. Ms. Connell, you

1 recognize her as being on the supply  
2 chain side?

3 A. I do.

4 Q. Okay. In connection with  
5 your preparation, sir, were you aware  
6 that the company sat down with the DEA in  
7 2003 to discuss abuse and diversion  
8 measures with regard to Endo's products?

9 MS. VANNI: Object to form.

10 THE WITNESS: In 2003?

11 BY MR. BUCHANAN:

12 Q. Mm-hmm.

13 A. I was aware that Endo had  
14 discussions with DEA during the time  
15 period that we are talking about.

16 Q. Okay. I'll pass you, sir,  
17 Exhibit 9 to your deposition.

18 (Document marked for  
19 identification as Exhibit  
20 Endo-Macrides-9.)

21 BY MR. BUCHANAN:

22 Q. Is that a yes answer, that  
23 you're aware that the company had  
24 discussed abuse and diversion of Endo's

1 product with the DEA and FDA as far back  
2 as 2003?

3 A. I'm aware of that, yes.

4 Q. Okay. And we looked at the  
5 sales chart that covered that period that  
6 you'll recall that went all the way back  
7 to 1999 that the company was making  
8 controlled substances, correct?

9 A. Correct.

10 Q. Okay. So one of the  
11 company's products was Percocet, right?

12 A. Percocet. Yes.

13 MR. BUCHANAN: Can we pull  
14 up that sales chart real quick and  
15 then take a look at it to see what  
16 the company was doing with  
17 Percocet in the early 2000s. It's  
18 E -- excuse me for the video  
19 record, it's E-1811. It's  
20 Exhibit 4 to the deposition. Pull  
21 up the product list.

22 BY MR. BUCHANAN:

23 Q. I understand, sir, you  
24 weren't at the company, but many of these

1 brands are brands that you're familiar  
2 with, right?

3 A. I'm familiar with these  
4 brands.

5 Q. Endocet is just Percocet in  
6 a different name, right?

7 MS. VANNI: Object to form.

8 THE WITNESS: Endocet is a  
9 generic version of Percocet.

10 BY MR. BUCHANAN:

11 Q. Right. Percocet is an  
12 oxycodone product, right?

13 A. Correct.

14 Q. Oxycodone is the active  
15 pharmaceutical ingredient in OxyContin,  
16 correct?

17 MS. VANNI: Object to form.

18 THE WITNESS: As I  
19 understand it, yes.

20 BY MR. BUCHANAN:

21 Q. Okay. So we've got  
22 Percocet, which has oxycodone in it.  
23 We've got oxycodone ER, oxycodone/APAP.  
24 Do you recognize oxycodone/APAP, sir, as

1 another formulation of Percocet?

2 MS. VANNI: Object to form.

3 THE WITNESS:

4 Oxycodone/APAP, I do. It's a  
5 generic version.

6 BY MR. BUCHANAN:

7 Q. Generic version. The active  
8 pharmaceutical ingredient in Percocet and  
9 Endocet is oxycodone, correct?

10 A. That's correct.

11 Q. One of them.

12 A. That's correct.

13 Q. And APAP is acetaminophen;  
14 is that right?

15 A. APAP is acetaminophen.

16 Q. So it's essentially  
17 oxycodone combined with Tylenol, right?

18 MS. VANNI: Object to form.

19 THE WITNESS: Oxycodone and  
20 APAP.

21 BY MR. BUCHANAN:

22 Q. APAP is Tylenol?

23 A. Acetaminophen.

24 Q. And acetaminophen is

1 Tylenol?

2 A. The brand name is Tylenol.

3 Q. Fair enough. Thanks. Just  
4 want to make sure we're communicating.

5 The brand name of  
6 OxyContin -- excuse me. The brand name  
7 of oxycodone or one formulation of  
8 oxycodone is OxyContin, right?

9 MS. VANNI: Objection.

10 THE WITNESS: As I  
11 understand it, yes.

12 BY MR. BUCHANAN:

13 Q. And the brand name of APAP  
14 or acetaminophen is Tylenol, right?

15 A. Right.

16 Q. So Percocet is a combination  
17 of oxycodone and acetaminophen, or  
18 Tylenol, right?

19 MS. VANNI: Object to form.

20 THE WITNESS: As I  
21 understand it.

22 BY MR. BUCHANAN:

23 Q. So when we look here on this  
24 chart, we see Percocet, Endocet,

1       oxycodone/APAP. All three of those are  
2       essentially the same pharmaceutical  
3       combination, they just get marketed in  
4       different ways, right?

5                       MS. VANNI: Objection.  
6                       Beyond the scope.

7                       THE WITNESS: Some are  
8                       branded and some are generic.

9       BY MR. BUCHANAN:

10               Q.       Fair. I mean, I wasn't  
11       trying to be tricky with that. I just  
12       wanted to -- the company, for whatever  
13       its business reasons over time, has used  
14       different trade names or branded names  
15       for the same pharmaceutical combination,  
16       true?

17                       MS. VANNI: Object to form.

18                       THE WITNESS: The branded  
19       name is Percocet. And then there  
20       are generics that go by different  
21       names.

22       BY MR. BUCHANAN:

23               Q.       Okay. All right, good. So  
24       Percocet in abuse and diversion was a big

1 deal into the early 2000s; isn't that  
2 right?

3 MS. VANNI: Objection.

4 THE WITNESS: I don't have  
5 specific knowledge on Percocet  
6 abuse because --

7 BY MR. BUCHANAN:

8 Q. Sorry.

9 A. Well, as I stated earlier,  
10 if our products aren't properly  
11 controlled, if they get out of the closed  
12 system, then they have -- they can be  
13 abused and diverted.

14 Q. Okay.

15 MR. BUCHANAN: Can we pull  
16 up the chart for the first --  
17 let's just say through 2003,  
18 please.

19 There you go.

20 BY MR. BUCHANAN:

21 Q. All right. So we can see  
22 that in fact Percocet, Endocet, and  
23 oxycodone/APAP -- let's get the Percocet  
24 up there. Those are big movers for the

1 company in the early -- late '90s, early  
2 2000s, right?

3 MS. VANNI: Object to form.

4 THE WITNESS: Can you  
5 clarify what you mean by "big  
6 mover"?

7 BY MR. BUCHANAN:

8 Q. I guess, for simplicity,  
9 two-thirds of your sales?

10 A. We were shipping Percocet  
11 and Endocet based on orders from our  
12 customers based on patient demand.

13 Q. I understand that, sir. But  
14 looking at the chart so we have some  
15 rough sense of what the business  
16 represented, about two-thirds of sales,  
17 at least in terms of pills, was Percocet  
18 or Percocet-like formulations, correct,  
19 sir?

20 MS. VANNI: Object to form.

21 THE WITNESS: Yes, based  
22 on -- if we're looking at 1999, a  
23 majority of the tablets shipped  
24 were Percocet or Endocet.

1 BY MR. BUCHANAN:

2 Q. Right. And roughly, what is  
3 that, 260 million pills, Percocets,  
4 versus a total of 360 or so?

5 A. Right.

6 Q. Okay. And excuse my  
7 rounding. I'm just trying to make it  
8 faster and simpler for both of us.

9 All right. We go forward in  
10 2000. And you're, you know, again, at  
11 roughly 340 million of 450 million pills  
12 are the Percocet and Endocet drugs,  
13 right?

14 MS. VANNI: Object to form.

15 THE WITNESS: That's what it  
16 says.

17 BY MR. BUCHANAN:

18 Q. Percocet was Endo's brand?

19 A. Percocet was a branded  
20 product or is a branded product.

21 Q. But the brand Percocet, was  
22 that Endo's brand name?

23 A. It was.

24 Q. They owned it?

1 MS. VANNI: Object to form.

2 THE WITNESS: Correct.

3 BY MR. BUCHANAN:

4 Q. So when the jury or consumer  
5 hears Percocet, they should think of  
6 Endo?

7 MS. VANNI: Object to form.

8 BY MR. BUCHANAN:

9 Q. Right?

10 A. Percocet is the brand.

11 Q. That's the name you marketed  
12 it under, right?

13 A. That's the name that Endo  
14 marketed the product under, Percocet.

15 Q. And if we looked at Percocet  
16 pills shipped by Endo, we'd see a little  
17 R with a circle around it, right?

18 It was your registered trade  
19 name for it, correct?

20 A. It was.

21 Q. You had the exclusive right  
22 to use that name, right?

23 MS. VANNI: Object to form.

24 Beyond the scope.

1 THE WITNESS: From a  
2 regulatory perspective, yes.

3 BY MR. BUCHANAN:

4 Q. Right. So when the jury  
5 hears Percocet it can think Endo, right?

6 MS. VANNI: Objection.

7 BY MR. BUCHANAN:

8 Q. It has your name?

9 MS. VANNI: Objection.

10 THE WITNESS: Percocet was  
11 our branded product. I will say  
12 though, that as a strip that you  
13 put on a cut, it's called a  
14 Band-Aid, there is a branded  
15 Band-Aid. And there are a lot of  
16 other kinds of band-aids.

17 There is a branded Percocet  
18 product and there are a lot of  
19 generic Percocet products. Some  
20 distributed by Endo, some  
21 distributed not by Endo.

22 So there are a number of  
23 products, generic products, that  
24 get referred to as Percocet, that

1                   may or may not be the branded  
2                   Percocet.

3       BY MR. BUCHANAN:

4                   Q.       Fair point, sir.

5                             And we see, in fact, you  
6       sold a generic version of your own  
7       branded product, right?

8                   A.       We did.

9                   Q.       Right. Well, we can't  
10      dispute that -- or you don't dispute, do  
11      you, sir, that you sold a lot of  
12      Percocet?

13                             MS. VANNI: Object to form.

14      BY MR. BUCHANAN:

15                   Q.       And its generic equivalence?

16                             MS. VANNI: Object to form.

17                             THE WITNESS: We sold  
18      Percocet. I'm not disputing that.

19      BY MR. BUCHANAN:

20                   Q.       Okay. And as we see through  
21      the years, certainly the early years  
22      here, sir, Percocet is a big part of your  
23      sales portfolio, right?

24                             MS. VANNI: Object to form.

1 THE WITNESS: We sold the  
2 quantities of Percocet that are  
3 listed on this sheet.

4 BY MR. BUCHANAN:

5 Q. Okay. So by 2003, wow, you  
6 have taken, with your Percocet and  
7 Endocet brand, you've gone from, what,  
8 about 260 million pills of Percocet and  
9 Endocet in 1999, to, what is that, about  
10 640 million pills, of Percocet and  
11 Endocet for one year in 2003?

12 A. About that.

13 Q. Just about doubled, five  
14 years.

15 A. Right. Reflecting the  
16 demand for the product, for the patients  
17 that need it.

18 Q. A lot of growth, agreed?

19 MS. VANNI: Object to form.

20 BY MR. BUCHANAN:

21 Q. Doubled sales in five years  
22 of Percocets?

23 A. There's growth from 1999 to  
24 2003 reflecting the increased demand for

1 the products for the patients that need  
2 them.

3 MR. BUCHANAN: Let's --  
4 let's have 548, please.

5 THE WITNESS: 548?

6 BY MR. BUCHANAN:

7 Q. I called it 548. We have a  
8 system that'll just help our tech to pull  
9 up the documents. That's in the top  
10 right corner.

11 A. Oh, I see. I see.

12 Q. From time to time I will  
13 refer to the point numbers for your  
14 convenience and mine.

15 MR. BUCHANAN: But we've  
16 marked it as what exhibit number?

17 BY MR. BUCHANAN:

18 Q. Okay. Passing you  
19 Exhibit 9, sir. It's an action plan to  
20 prevent diversion.

21 Do you see that?

22 A. I do.

23 Q. Okay. Sue Tolen, do you  
24 remember her?

1 A. No.

2 Q. She preceded you?

3 A. I don't know Sue Tolen.

4 Q. Didn't speak with her in  
5 your preparation for today?

6 A. No. No, I have not.

7 Q. It's a -- it's an alert from  
8 the DEA, do you see that?

9 Drugs and chemicals of  
10 concern. It says, "Oxycodone." And it  
11 says, "Action plan to prevent the  
12 diversion and abuse of OxyContin."

13 Do you see that?

14 A. I see that.

15 Q. Okay. I'll direct you to  
16 548.3. To orient us, this is an e-mail  
17 exchange from 7/14/2003. We are now on  
18 .3 at the bottom, please.

19 MR. BUCHANAN: Can you blow  
20 out that paragraph.

21 BY MR. BUCHANAN:

22 Q. It reads: "Oxycodone has  
23 been marketed in combination products  
24 with aspirin and acetaminophen, Percodan

1 and Percocet for many years."

2 What's the next sentence  
3 say, sir?

4 A. It says, "Diversion and  
5 abuse of these products continue."

6 Q. Let's pause. Okay. Does  
7 that help you understand, sir, in the  
8 context of your earlier testimony that  
9 really fairly early on Endo's products  
10 were a subject of abuse and diversion?

11 MS. VANNI: Objection.

12 THE WITNESS: What I stated  
13 earlier was that if our products  
14 aren't properly controlled through  
15 the regulations and the controls  
16 we put in place to prevent abuse  
17 and diversion, then they could be  
18 abused and diverted.

19 BY MR. BUCHANAN:

20 Q. And what this says, sir, is  
21 that diversion and abuse of these  
22 products, referencing Percodan and  
23 Percocet in the prior sentence,  
24 continues.

1 Do you see that, sir?

2 MS. VANNI: Object to form.

3 THE WITNESS: I see what it  
4 says here.

5 BY MR. BUCHANAN:

6 Q. And you've told us, sir,  
7 Percocet was your brand name. You see  
8 the little R there, right?

9 A. I see that R.

10 Q. That's Endo's product, with  
11 the R.

12 How about Percodan, was that  
13 also your brand name, sir?

14 A. Yeah, I believe we sold  
15 Percodan for some period of time, yes.

16 MR. BUCHANAN: Can we go  
17 back to Exhibit 4 for a moment.

18 BY MR. BUCHANAN:

19 Q. Percodan is the combination  
20 of oxycodone and aspirin, right?

21 MS. VANNI: Object to form.

22 THE WITNESS: Yes, yes.

23 MR. BUCHANAN: Can you  
24 highlight the Percodan there?

1                   Okay.

2                   And I think the -- maybe you  
3                   could blow it out so we can see  
4                   the -- the actual sales up through  
5                   2003.

6                   Thank you. Good.

7 BY MR. BUCHANAN:

8                   Q. All right. So Percodan is a  
9                   good product for you. Do you see that?

10                  MS. VANNI: Object to form.

11                  THE WITNESS: I see that we  
12                  sold Percodan.

13 BY MR. BUCHANAN:

14                  Q. Millions and millions and  
15                  millions of Percodan as well, right?

16                  MS. VANNI: Objection.

17                  THE WITNESS: I see we sold  
18                  42 million Percodan tablets over  
19                  18 years.

20 BY MR. BUCHANAN:

21                  Q. Okay. How about over this  
22                  period of time, because it looks like --  
23                  and I guess this is just the nongeneric  
24                  formulation, right?

1                   Because you made a generic  
2     formulation of Percodan, correct?

3                   A.     We did.

4                   Q.     Okay. You made Endodan. So  
5     let's talk about that one.

6                   MR. BUCHANAN: Can you  
7     highlight that line as well?

8                   Okay.

9     BY MR. BUCHANAN:

10                  Q.     So we see for Endodan over  
11     that four-year period of time, you sold  
12     85 million tablets of Endodan, right?

13                  A.     About that.

14                  Q.     Okay. It looks like another  
15     30, 35 million of Percodan, right?

16                  A.     About that.

17                  Q.     It's over a hundred million  
18     Percodan products, right, oxycodone and  
19     aspirin combined, right?

20                  A.     That's what it says here.

21                  Q.     Okay. And just satisfy me,  
22     sir, that both the Percocet products  
23     which you sold in the quantities we've  
24     talked about, and the Percodan products

1     that you sold and we've talked about,  
2     were in fact highlighted by the DEA as  
3     products for which diversion and abuse  
4     continued as of 2003?

5                     MS. VANNI: Object to form.

6     BY MR. BUCHANAN:

7             Q.     Can you confirm that's what  
8     the DEA reported?

9             A.     What it says here is,  
10    "Oxycodone has been marketed in  
11    combination with products with aspirin  
12    and acetaminophen, Percodan and Percocet,  
13    for many years. Diversion and abuse of  
14    these products continue."

15            Q.     Thank you.

16            A.     That's what it says here.

17            Q.     Okay. So by 2003,  
18    certainly, we have this DEA release in  
19    the company's files.

20                   And you don't dispute that  
21    the company was aware as of that point in  
22    time that diversion and abuse were  
23    continuing with Percocet and Percodan as  
24    of that point in time, do you, sir?

1 MS. VANNI: Object to form.

2 THE WITNESS: As I stated  
3 earlier, if these products aren't  
4 controlled properly, they can be  
5 abused and diverted. I also  
6 stated that branded products like  
7 Percocet, Percodan, and many times  
8 the generic is confused with the  
9 brand or people refer to the  
10 branded product -- to the generic  
11 product as the branded product.

12 BY MR. BUCHANAN:

13 Q. Are you disputing the DEA's  
14 statement, sir, that diversion and abuse  
15 continued with regard to Percodan and  
16 Percocet as of 2003?

17 MS. VANNI: Object to form.

18 THE WITNESS: I'm not  
19 debating what it says in front of  
20 me.

21 BY MR. BUCHANAN:

22 Q. Okay. And continue means  
23 it's happened before and it's still  
24 happening, fair?

1 MS. VANNI: Object to form.

2 THE WITNESS: Abuse and  
3 diversion can happen if these  
4 products aren't properly  
5 controlled. Misuse of the  
6 products can also occur with  
7 people who have a valid  
8 prescription for the product. I'm  
9 not disputing that.

10 BY MR. BUCHANAN:

11 Q. I'm not asking you in a  
12 general sense. I'm asking to make sure  
13 we understand each other with regard to  
14 what the word "continue" means.

15 Continue means is it was  
16 happening and is happening; is that fair?

17 MS. VANNI: Object to form.

18 THE WITNESS: That's what  
19 DEA is saying here.

20 BY MR. BUCHANAN:

21 Q. Abuse and diversion of  
22 Percodan and Percocet has happened and  
23 it's still happening, right?

24 MS. VANNI: Object to form.

1 THE WITNESS: That's what it  
2 says here.

3 BY MR. BUCHANAN:

4 Q. Okay. And that's something  
5 that Endo was certainly aware of as of  
6 2003?

7 MS. VANNI: Object to form.

8 THE WITNESS: Endo had this  
9 communication from DEA in 2003.

10 BY MR. BUCHANAN:

11 Q. Thank you.

12 MR. BUCHANAN: You can take  
13 that down.

14 BY MR. BUCHANAN:

15 Q. I don't know an easy way to  
16 kind of talk about Par versus Qualitest  
17 versus Endo, because their timelines are  
18 different. So I'm going to try to do  
19 them separately to keep the record clear.  
20 So I'm going to announce to you that I'm  
21 going to be focusing on the Par period of  
22 time. Okay? And the pre-merger into the  
23 Endo entity's period of time, fair?

24 A. Fair.

1           Q.     So to orient you from a time  
2     frame perspective, it'll be the time  
3     period, I believe, prior to 2015, 2016,  
4     and Par's activities, conduct, drugs,  
5     things like that, okay?

6                     Passing you, sir, what we're  
7     marking as Exhibit 5, filling in some  
8     gaps from earlier.

9                     Par is a company that, like  
10    Endo, has made opioids over the years,  
11    correct, sir?

12           A.     Correct.

13           Q.     This is, in fact, a chart of  
14    the opioid-containing products that Par  
15    has identified to us over the years.

16                     The way it's been produced  
17    to us, I'll represent to you, doesn't  
18    draw a distinction between the pre-merger  
19    entity and the post-merger entity. So at  
20    some point in time, I'm assuming, as of  
21    2016 to 2018, sales for Qualitest are  
22    reflected in there, but let's focus first  
23    on the 2010 to 2015 period of time.

24    Okay?

1           A.       Right. I believe, in  
2       looking at the chart, the Qualitest  
3       products are included in 2015.

4           Q.       And you're making that  
5       inference based on the product mix and  
6       the quantities?

7           A.       I'm making that inference  
8       based on my knowledge of the product mix  
9       and the quantities.

10          Q.       Okay. So if we want to get  
11       a sense of kind of Par's pre-merger  
12       opioid business, we can get a pretty good  
13       perspective looking at the 2014 prior  
14       period?

15                   MS. VANNI: Object to form.

16                   THE WITNESS: I think that  
17       would make sense.

18       BY MR. BUCHANAN:

19          Q.       Okay. So the company is  
20       making some hydrocodone products, right?

21                   MS. VANNI: Just note my  
22       objection to the use of this  
23       document consistent with my prior  
24       objection.

1                   Also, it looks to have a  
2                   product from another manufacturer  
3                   on here, Purdue, oxycodone,  
4                   Purdue.

5                   MR. BUCHANAN: This is as  
6                   produced to us by the defense.  
7                   And actually, it was a question  
8                   that I was going to ask the  
9                   witness.

10                  MS. VANNI: Okay. Also note  
11                  my objection that he is not a  
12                  30(b)(6) on sales, and he can't  
13                  authenticate the information  
14                  contained in this.

15                  You can proceed.

16                  (Document marked for  
17                  identification as Exhibit  
18                  Endo-Macrides-10.)

19 BY MR. BUCHANAN:

20                  Q.       Passing you also, sir,  
21                  Exhibit 10.

22                  Exhibit 10, is, I'll  
23                  represent to you, sir, Exhibit A to Par's  
24                  supplemental interrogatory responses. We

1 asked for the records of the products  
2 that were shipped by Par. That is the  
3 data that was given to us, and it's been  
4 collapsed and enlarged for your  
5 convenience in the prior exhibit. I  
6 think you'll find the prior exhibit,  
7 Exhibit 5 easier to read.

8 A. I can't read that.

9 Q. That's why we did what we  
10 did.

11 A. Okay.

12 Q. Okay. You have the source  
13 materials, if you'd like, Exhibit 10.

14 Exhibit 5 is our summary  
15 table for your convenience.

16 All right. So we see prior  
17 to the 2015 merger that Par is in the  
18 business of making a hydrocodone kind of  
19 liquid.

20 Do you see that?

21 A. I see that.

22 Q. Okay. As of 2014 selling a  
23 hundred-plus million dosage units of  
24 that. It's got an oral transmucosal

1       fentanyl citrate product.

2                       Do you see that?

3               A.       I see that.

4               Q.       And fentanyl is a pretty  
5       potent opioid, fair?

6                       MS. VANNI: Object to form.

7                       THE WITNESS: I understand  
8       that fentanyl is an opioid.

9       BY MR. BUCHANAN:

10              Q.       Do you understand that it's  
11       fairly potent?

12              A.       I don't have specific  
13       knowledge of the potency of fentanyl. I  
14       understand it's an opioid.

15              Q.       Okay. Do you have a sense  
16       of the relative desirability of different  
17       active pharmaceutical ingredients in  
18       terms of the street value?

19                      MS. VANNI: Object to form.

20                      THE WITNESS: I don't have  
21       any specific knowledge of that. I  
22       understand that my responsibility  
23       is to control all opioid products  
24       in the same way to prevent the

1                   diversion and abuse of those  
2                   products.

3       BY MR. BUCHANAN:

4                   Q.       Certain products can be more  
5       desirable than others though in the  
6       street, true?

7                   MS. VANNI: Object to form.

8                   THE WITNESS: I imagine that  
9       could be true. I have no --

10      BY MR. BUCHANAN:

11                  Q.       Do you have any knowledge in  
12      that regard?

13                  A.       I have no specific  
14      knowledge --

15                  Q.       Fair enough.

16                  A.       -- on the --

17                  Q.       Okay.

18                         So we see the company is  
19      making fentanyl patches in 2014. It's  
20      got -- making oral transmucosal fentanyl  
21      citrate. It's making morphine sulfate.

22                         Do you see that?

23                  A.       I see that.

24                  Q.       Okay. It's -- there's a

1 line item here for oxycodone and on the  
2 chart that was produced to us it says --

3 MR. BUCHANAN: I'm sorry,  
4 can you pull up E1809 for  
5 everyone's benefit.

6 If I do that again, just  
7 somebody give me an elbow so you  
8 can see. Okay?

9 Can you blow out to 2014.  
10 The -- actually include 2015, just  
11 so we have a -- no, I'm sorry,  
12 with the drug names all the way to  
13 2015.

14 Thank you. Okay.

15 BY MR. BUCHANAN:

16 Q. That may help you if you  
17 want to read the screen, sir.

18 A. Oh, I can read this.

19 Q. Okay. So Par, prior to its  
20 merger with Endo and Qualitest in 2015 is  
21 also in the opioid business, right?

22 A. They are.

23 Q. Okay. Millions of pills and  
24 millions of dosage units of syrups,

1 patches. It looks like oral  
2 transmucosals, of various opioid  
3 formulations.

4 Is that fair?

5 MS. VANNI: Object to form.

6 THE WITNESS: Yes. Parceled  
7 and marketed opioid products.

8 BY MR. BUCHANAN:

9 Q. Okay. It looks like they  
10 are also in the Percocet business, right,  
11 2014?

12 A. The -- the Percocet would  
13 have been -- I believe that would be the  
14 Endo product.

15 Q. Well, we know Endo doesn't  
16 buy Par until when?

17 A. 2015.

18 Q. Right. So in 2014, in the  
19 data that's been provided to us, we see  
20 some 272 million pills?

21 A. That's oxycodone/APAP, not  
22 Percocet. You said Percocet. Percocet  
23 was zero in 2014.

24 Q. Oh, I'm sorry. Is -- is

1       oxycodone/APAP not the generic  
2       formulation of Percocet?

3               A.       It is the generic  
4       formulation of Percocet. I was just  
5       confused because you said Percocet and  
6       Percocet is zero on here in 2014.

7               Q.       Oh, that -- that's fair.  
8       Okay.

9                       So what I'm -- what I'm  
10      highlighting, sir, is oxycodone/APAP is  
11      the generic form of Percocet. And I  
12      apologize if I confused you with that.

13                      By 2014, Par is in the  
14      Percocet business, right?

15                      MS. VANNI: Object to form.

16                      THE WITNESS: They are in  
17      the generic Percocet business,  
18      yes.

19      BY MR. BUCHANAN:

20               Q.       Okay. By 2014, Par is in  
21      the generic Percocet business, do you  
22      agree?

23               A.       I agree.

24               Q.       To the tune of about a pill

1 for every American?

2 MS. VANNI: Object to form.

3 THE WITNESS: The quantity  
4 here says 272 million tablets.

5 BY MR. BUCHANAN:

6 Q. Okay. About a pill for  
7 every American?

8 MS. VANNI: Object to form.  
9 Beyond the scope.

10 THE WITNESS: It's 272  
11 million tablets.

12 BY MR. BUCHANAN:

13 Q. A lot of pills, right?

14 MS. VANNI: Object to form.

15 THE WITNESS: It's 272  
16 million tablets.

17 BY MR. BUCHANAN:

18 Q. Okay. And Par as a  
19 manufacturer of opioids and a distributor  
20 of opioid products, was also charged with  
21 maintaining effective controls against  
22 diversion, correct?

23 A. Correct.

24 Q. Also had to have a

1 suspicious order monitoring program,  
2 right?

3 A. Correct.

4 Q. Also received orders before  
5 it shipped each of those pills, patches  
6 and liquids, correct?

7 A. Correct.

8 Q. In 2010 how many -- and I'll  
9 represent to you, sir, I don't have data  
10 that goes back prior to 2010 for -- for  
11 Par. That may be because they didn't  
12 make it prior to that point in time, or  
13 it may be because it just wasn't given to  
14 us.

15 But as of 2010, did the  
16 company stop shipping any order it  
17 received because of excessive quantity,  
18 frequency, or any of the other categories  
19 for a suspicious order?

20 MS. VANNI: Object to form.

21 THE WITNESS: Par had a DEA  
22 compliance function and procedures  
23 around reviewing orders. I don't  
24 believe there were any orders

1           reported that were deemed  
2           suspicious after review and  
3           investigation of any orders of  
4           interest.

5       BY MR. BUCHANAN:

6           Q.     Any order that it  
7           stop-shipped and didn't fill?

8           A.     I don't believe so.

9           Q.     Okay.   So for 2010, no  
10          orders reported to DEA and no orders  
11          stop-shipped, true?

12          A.     My understanding is that we  
13          did not report any suspicious orders  
14          after investigation of any orders of  
15          interest that came through our SOMs  
16          program.

17          Q.     Okay.   2011, again,  
18          150 million pills, units, patches.   I  
19          guess it's just pills, excuse me.   Oral  
20          transmucosal fentanyl and cough syrup at  
21          that point in time.

22                   Any reports to the DEA in  
23          2011?

24                   MS. VANNI:   Object to form.

1 THE WITNESS: I'm not aware  
2 of any orders that were reported  
3 as suspicious after review and  
4 investigation of any orders of  
5 interest.

6 BY MR. BUCHANAN:

7 Q. Okay. Any stop-ships?

8 A. Not that I'm aware of.

9 Q. Okay. 2012, 190 million,  
10 180 million, something like that, dosage  
11 units, pills, patches, liquids.

12 Numbers going up, right?

13 A. So these products in 2012,  
14 Par had a very active history as a  
15 generics company of launching new  
16 products. These products appear to have  
17 been launched in 2012, which is why  
18 they -- they show up there.

19 Q. So --

20 A. I'm not aware of any orders  
21 that were reported as suspicious after  
22 review and investigation through our SOMs  
23 system.

24 Also any time a product was

1     launched there were specific procedures  
2     around reviewing customers who were  
3     ordering that product, you know, to  
4     ensure that they had the appropriate  
5     licenses, programs, et cetera, in place  
6     to control these products properly.

7             Q.     Well, let's talk about that,  
8     I guess.

9                     In 2010, please describe for  
10    the jury what Par's suspicious order  
11    monitoring program was.

12             A.     I would describe the program  
13    as standard operating procedures looking  
14    at orders that would be deemed of  
15    interest based on orders that were  
16    excessive relative to, you know,  
17    historical parameters.

18                     There was also, as I  
19    understand it, diligence around new  
20    customers.

21                     Those -- those SNOPs and  
22    programs would have been evolving.

23                     THE VIDEOGRAPHER:   Off the  
24                     record at 11:11 a.m.

1 (Brief pause.)

2 THE VIDEOGRAPHER: We are  
3 back on the record at 11:12 a.m.

4 BY MR. BUCHANAN:

5 Q. Okay. I apologize for  
6 the -- for the interruption, sir.

7 You were telling us about  
8 Par's suspicious order monitoring program  
9 back in time here, pre-merger period.

10 In fact, as of 2010, the  
11 company didn't even have a suspicious  
12 order monitoring program, isn't that  
13 true?

14 MS. VANNI: Object to form.

15 THE WITNESS: You might  
16 describe it more as an order  
17 management program. I think new  
18 customers were being reviewed and  
19 orders were being reviewed at some  
20 level.

21 MR. BUCHANAN: Can I have  
22 1056, please.

23 BY MR. BUCHANAN:

24 Q. Did you find an SOP for a

1 suspicious order monitoring program for  
2 Par as of 2010, sir?

3 A. I looked at a lot of  
4 documents. If you can show me a document  
5 that you're referring to. I looked at a  
6 lot of documents. I don't remember  
7 exactly all the documents that I looked  
8 at. I did look at documents with  
9 specific procedures for Par around  
10 suspicious order monitoring, new  
11 customers -- setting up new customers, et  
12 cetera.

13 Q. The hard thing for me is I  
14 can't show you something that doesn't  
15 exist. So in 2010, sir, are you aware of  
16 an SOP or a policy or procedure for  
17 suspicious order monitoring?

18 A. I reviewed policies and  
19 procedures for Par. I don't remember the  
20 exact dates.

21 (Document marked for  
22 identification as Exhibit  
23 Endo-Macrides-11.)

24 BY MR. BUCHANAN:

1 Q. I'm passing you, sir, what  
2 we've marked as, I think that's  
3 Exhibit 11 for your deposition.

4 MR. BUCHANAN: Provide a  
5 copy to counsel, please.

6 Can you pull up E-1056.

7 BY MR. BUCHANAN:

8 Q. All right. This, sir, is an  
9 e-mail from Joseph -- I'll probably  
10 mispronounce his name.

11 A. Barbarite.

12 Q. Barbarite. Okay. To Angela  
13 Feniger and others. Was Ms. Feniger one  
14 of the people you talked with?

15 A. She was.

16 Q. Okay. When you talked with  
17 her, sir, did she tell you that they had  
18 no suspicious order monitoring in place  
19 while they were selling controlled  
20 substances in 2010?

21 MS. VANNI: Object to form.

22 THE WITNESS: I don't  
23 believe we specifically discussed  
24 that.

1 BY MR. BUCHANAN:

2 Q. Okay. Y'all invited a  
3 company in to take a look at your systems  
4 in 2010, right? A company called Cegedim  
5 Dendrite. Buzzeeo might be another name  
6 that you recall.

7 A. Yeah. That's what it says  
8 here, yes.

9 Q. Okay. Had you seen this  
10 document before?

11 A. I had not seen this  
12 document.

13 Q. Okay. So this is the report  
14 back from your consultant to you in, I  
15 guess, early 2010, following an  
16 April 2010 inspection. Let's go to  
17 1056.2. That is the cover letter that  
18 accompanies the report.

19 A. I see it.

20 Q. Signed by Mr. Buzzeeo, chief  
21 compliance officer.

22 Do you see that?

23 A. I see that.

24 Q. Okay. You've seen reports

1 and analyses by Mr. Buzzeo over the years  
2 to your company?

3 A. I have.

4 Q. Okay. The company worked  
5 with Mr. Buzzeo after this point in time,  
6 right?

7 MS. VANNI: Object to form.

8 THE WITNESS: We did.

9 BY MR. BUCHANAN:

10 Q. And before this point in  
11 time, right?

12 A. We did.

13 Q. All right. You relied on  
14 him?

15 MS. VANNI: Object to form.

16 THE WITNESS: We used them  
17 for input into how we can improve  
18 our programs.

19 BY MR. BUCHANAN:

20 Q. And you respected their  
21 advice, right?

22 MS. VANNI: Object to form.

23 THE WITNESS: If we hired a  
24 consultant it was to give us

1           specific input to challenge us and  
2           to give us suggestions on how we  
3           can improve.

4       BY MR. BUCHANAN:

5           Q.     Sure.

6           A.     In that context that's why  
7       we -- that's how we would have --

8           Q.     And you invited them into  
9       your shop, right?

10                   MS. VANNI:   Object to form.

11       BY MR. BUCHANAN:

12           Q.     Per the 1056.3?

13           A.     I'm just looking this over.  
14       Yes, it looked like there was a visit to  
15       the facility.

16           Q.     Visit to the facility, short  
17       review of documents, to provide findings  
18       and recommendations back to the company,  
19       correct?   We're going to 1056.10.

20           A.     1056.10?

21           Q.     Yes.   Is that correct?   You  
22       called them in.   They looked at stuff.  
23       They gave you a report and analysis back?  
24       Fair, sir?

1           A.       It looked like they did an  
2       audit and gave us some -- some findings.

3           Q.       Okay. Let's go to Finding  
4       Number 8.

5           A.       Are you on --

6           Q.       1056.10.

7           A.       Okay.

8           Q.       I'm sorry.

9                   Finding Number 8, SOM,  
10       below. I guess there's two Finding  
11       Number 8 -- Findings Number 8.

12                   Finding Number 8, SOM.  
13       Could you read that sentence for us, sir?

14           A.       "There is no suspicious  
15       order monitoring program in place."

16           Q.       Okay. Let's pause there.  
17       As of 2010, the company is selling  
18       controlled substances that it must keep  
19       in a vault and in a cage in its warehouse  
20       and production facilities, correct?

21                   MS. VANNI: Object to form.

22                   THE WITNESS: Par was  
23       selling opioids that had certain  
24       regulations on how they needed to

1 be stored and controlled.

2 BY MR. BUCHANAN:

3 Q. And there is a requirement?

4 MR. BUCHANAN: Can we blow  
5 that out?

6 BY MR. BUCHANAN:

7 Q. Under 21 C.F.R. 1301.74(b).  
8 Do you see that? That the company must  
9 maintain and operate a system to disclose  
10 to the registrant suspicious orders of  
11 controlled substances, right?

12 Do you see that?

13 A. Yeah. And if I could just  
14 have a minute to read it. Yes, this is  
15 what the regulation says.

16 Q. Okay. And that regulation's  
17 not a new one, right?

18 A. No.

19 Q. I mean, that regulation has  
20 been around for as long as Endo has been  
21 around, right?

22 MS. VANNI: Objection.

23 THE WITNESS: The

24 regulations has been in place for

1           whatever period of time they've  
2           been in place.

3       BY MR. BUCHANAN:

4           Q.     Right. And the Controlled  
5       Substance Act actually has a provision  
6       that manufacturers and distributors are  
7       supposed to maintain effective controls  
8       against diversion, right? Are you aware  
9       of that?

10          A.     I'm aware of that, yes.

11          Q.     Okay. So as of 2010, sir,  
12       there is no suspicious order monitoring  
13       program in place. That's what you're  
14       told by the consultants you hired to look  
15       at this issue, correct?

16          A.     That's what the report says.

17          Q.     Okay.

18          A.     So as I said earlier, we  
19       hired --

20          Q.     That's my question sir.  
21                   Recommendation underneath,  
22       "Although it was stated that sales are  
23       mainly to large wholesalers" -- let's  
24       pause.

1                   As a registrant, you have an  
2                   obligation to maintain a suspicious order  
3                   monitoring program, period, correct, sir?

4                   MS. VANNI: Object to form.

5                   THE WITNESS: We have an  
6                   obligation to do what it says here  
7                   in the regulations, to design and  
8                   operate a system to disclose to  
9                   the registrant suspicious orders  
10                  of controlled substances.

11 BY MR. BUCHANAN:

12                  Q. Right.

13                  A. That's what we have an  
14                  obligation to do.

15                  Q. Right. It doesn't -- the  
16                  explanation given to your consultant that  
17                  well, we just sell to wholesalers, that  
18                  doesn't mean that you don't have to have  
19                  a suspicious order monitoring program,  
20                  right?

21                  MS. VANNI: Object to form.

22                  THE WITNESS: We have to --

23 BY MR. BUCHANAN:

24                  Q. You know better than that?

1 MS. VANNI: Object to form.

2 THE WITNESS: We have to do  
3 what it says in the registrant --  
4 in the register -- in the -- I'm  
5 sorry, in the C.F.R. We have to  
6 do what it says in the C.F.R.

7 BY MR. BUCHANAN:

8 Q. Right. You must have a  
9 program, right?

10 A. We must have a system to  
11 disclose suspicious orders of controlled  
12 substances.

13 Q. That's right. And it says  
14 here, a program must be what?  
15 Instituted, correct?

16 A. I'm sorry. Where are you  
17 reading that?

18 Q. The top says, "There is no  
19 suspicious order" -- "no suspicious order  
20 monitoring program in place."

21 First sentence, right?

22 A. Right.

23 Q. It advises your team, there  
24 is a regulation that requires one.

1 That's the second part, right? It says  
2 that's the requirement?

3 A. Yes, they are quoting the  
4 regulations here.

5 Q. And then they are saying,  
6 here is our recommendation, that you  
7 institute one, that you comply with the  
8 law.

9 MS. VANNI: Object to form.

10 THE WITNESS: The way I  
11 interpret this document, we hired  
12 these consultants to come in  
13 because we recognized that the --  
14 as I said earlier, that these  
15 products, opioid products, if they  
16 are not properly controlled, can  
17 be abused and diverted.

18 We -- we brought these  
19 consultants in, in a proactive  
20 way, to give us guidance and  
21 direction on how to develop a  
22 better program for ensuring that  
23 our orders were reviewed properly,  
24 comprehensively, and ultimately

1           any orders of interest were  
2           investigated.

3       BY MR. BUCHANAN:

4           Q.     Did you say --

5           A.     That's how I interpret this  
6       document.

7           Q.     Did you say a better  
8       program, sir?   A better?

9                   There was no program prior  
10      to this point in time.   None.

11          A.     I'm not interpreting this  
12      document to suggest that there was no  
13      program.

14          Q.     What did they say, sir?

15          A.     I'm -- I'm interpreting this  
16      document as the consultants, as they  
17      would define a suspicious order  
18      monitoring program, that they felt that  
19      we needed to improve.

20          Q.     Please tell the jury what  
21      SOP Par had for suspicious order  
22      monitoring prior to this date, sir.

23          A.     I'm not referencing a  
24      specific SOP.   I'm just telling you how

1 I'm interpreting this document.

2 Q. Well, please tell me --

3 A. I'm not interpreting the  
4 document to suggest that Par wasn't in  
5 some way reviewing orders that, you know,  
6 potentially would be excessive based on  
7 historical parameters.

8 Now, that may not be the way  
9 the consultant is defining the suspicious  
10 order monitoring program. But that  
11 doesn't mean that these orders weren't  
12 being looked at to determine whether or  
13 not there was an order that was, quote,  
14 excessive.

15 Q. So these consultants that  
16 you hired came in, and you understand  
17 they have specific DEA compliance  
18 experience, Cegedim, Dendrite, Buzzeeo?

19 A. Of course.

20 Q. Okay. Brought them in to  
21 look at your system, sir. They looked at  
22 the system, and finding Number 8 says  
23 there is no suspicious order monitoring  
24 program in place.

1                   We can agree that's not an  
2           ambiguous sentence, correct?

3                   MS. VANNI: Object to form.

4                   THE WITNESS: We can agree  
5           that's what they said and wrote  
6           into the report.

7           BY MR. BUCHANAN:

8                   Q.       Right. And we can also  
9           agree sitting here today, sir, you are  
10          not aware of a standard operating  
11          procedure that the company actually has  
12          dated prior to this point in time  
13          concerning suspicious order monitoring,  
14          correct?

15                  A.       Like I said, I reviewed a  
16          lot of documents. I reviewed a lot of  
17          Par SOPs. I can't go back and tell you  
18          exactly what date.

19                        I -- I do know that Par had  
20          an evolving program, as did Qualitest, as  
21          did Endo, around suspicious order  
22          monitoring and ensuring that our -- our  
23          orders were reviewed and investigated to  
24          prevent abuse and diversion.

1           Q.       Sitting here today, sir, you  
2       don't recall a single Par policy,  
3       procedure, or standard operating document  
4       prior to the date of this memo for  
5       suspicious order monitoring, correct,  
6       sir?

7                   MS. VANNI: Object to form.

8                   THE WITNESS: I do recall a  
9       suspicious order monitoring SOP.

10                  I do not recall the time  
11       frame at which that was  
12       implemented.

13       BY MR. BUCHANAN:

14                Q.       Okay. Well, we'll look at  
15       that. Okay.

16                  Because the company, a few  
17       years later, implements an SOP, right?

18                  MS. VANNI: Object to form.

19       BY MR. BUCHANAN:

20                Q.       After it's been selling  
21       opioids for years --

22                  MS. VANNI: Objection.

23       BY MR. BUCHANAN:

24                Q.       -- right?

1 MS. VANNI: Objection.

2 THE WITNESS: As I said, our  
3 programs were evolving in response  
4 to increasing our diligence around  
5 monitoring orders and ensuring  
6 that we were doing everything we  
7 could within the regulations to  
8 prevent our abuse and diversion.

9 This step of bringing in a  
10 consultant, which we do quite  
11 frequently, to challenge us, to  
12 help us raise the bar, to give us  
13 their view on things.

14 MR. BUCHANAN: Move to  
15 strike.

16 BY MR. BUCHANAN:

17 Q. My question was, the company  
18 has been selling opioids for years prior  
19 to the time it implements its first SOP.

20 Do you know that, sir?

21 MS. VANNI: Objection.

22 Asked and answered.

23 THE WITNESS: I have data  
24 here that says the company was

1 selling opioids in 2010.

2 BY MR. BUCHANAN:

3 Q. Okay. Let's take a look  
4 at -- and you are not aware of an SOP  
5 from 2010, are you, sir?

6 MS. VANNI: Objection.

7 BY MR. BUCHANAN:

8 Q. For suspicious order  
9 monitoring?

10 MS. VANNI: Objection.

11 THE WITNESS: I think I  
12 already said that I reviewed SOPs,  
13 but I -- I did not -- I'm not  
14 aware of the actual dates. I  
15 don't remember the dates of -- of  
16 specific SOPs that I reviewed.

17 BY MR. BUCHANAN:

18 Q. Okay. We can agree that --  
19 we have -- we have your memory obviously  
20 of not having a specific date for an SOP.

21 We have your consultants  
22 though who came in and did a  
23 three-year -- three-day, excuse me, site  
24 visit. Spoke with people, looked at

1 things, and delivered a report which said  
2 there is no suspicious order monitoring  
3 program in place as of this date in 2010,  
4 correct, sir?

5 MS. VANNI: Object to form.

6 THE WITNESS: As the  
7 consultants define suspicious  
8 order monitoring program, their  
9 input was we needed to enhance  
10 whatever we were doing in terms of  
11 looking at orders and formalize  
12 the program. That's how I would  
13 interpret their response here.

14 BY MR. BUCHANAN:

15 Q. Okay. And so the answer to  
16 my question, sir, though about whether  
17 you are aware of a standard operating  
18 procedure for SOMs or a policy as of 2010  
19 is still the same, you're not aware of  
20 one, correct?

21 MS. VANNI: Objection.

22 Misstates his testimony.

23 THE WITNESS: I reviewed a  
24 lot of documents. I know I

1 reviewed documents, Par documents,  
2 that were related to suspicious  
3 order monitoring.

4 I don't remember -- I don't  
5 recall the date. I looked at a  
6 lot of documents to prepare for  
7 this. I didn't commit them all to  
8 memory.

9 BY MR. BUCHANAN:

10 Q. Okay. Let me show you the  
11 first one we found, sir. Okay.

12 MR. BUCHANAN: Can I have  
13 1839.

14 (Document marked for  
15 identification as Exhibit  
16 Endo-Macrides-12.)

17 BY MR. BUCHANAN:

18 Q. I'm passing you, sir, what  
19 we're marking as Exhibit 12. This is an  
20 e-mail from Ms. Feniger to Ms. Lipari and  
21 some others on the team. Suspicious  
22 order monitoring.

23 SOM, do you see that?

24 A. I see that.

1 Q. Attachments SO002. Do you  
2 see that?

3 A. I see that.

4 Q. Okay. The quality is  
5 something we're both suffering with, sir.  
6 I wish I could have given you a better  
7 copy.

8 And so what we have here is  
9 the SOM. And it's SOP number SO002.0.  
10 Do you see that?

11 A. I see that.

12 Q. And it says supersedes.  
13 What does it say after that?

14 MR. BUCHANAN: Can you go to  
15 .2 please.

16 THE WITNESS: I'm sorry.

17 BY MR. BUCHANAN:

18 Q. I'm sorry. It's the top of  
19 the page, sir. I know my question was  
20 confusing.

21 We see the SOP number on the  
22 right. You recognize that companies like  
23 yours number their SOPs?

24 A. Right.

1           Q.     And they often put a version  
2     number, a dot after to indicate an  
3     incremental change to an SOP?

4           A.     Right.

5           Q.     Okay. What's the title of  
6     this particular SOP, sir?

7           A.     Suspicious order monitoring.

8           Q.     Okay. And the SOP number  
9     for it is S0002.0, correct?

10          A.     Correct.

11          Q.     Supersedes?

12          A.     It says not applicable.

13          Q.     What is the date, the  
14     effective date of this SOP, sir?

15          A.     April 17th of 2012.

16          Q.     Okay. And we've got  
17     signatures and approvals written by,  
18     checked by, approved by.

19                 Do you see all that?

20          A.     I do.

21          Q.     Okay. This was actually  
22     written by the head of sales?

23          A.     Written by Patricia Lipari,  
24     director of sales.

1 Q. Okay.

2 A. Sales operations.

3 Q. Okay. Sales ops. And it  
4 was checked by a technical writer in  
5 documentation, right?

6 A. Checked by, yeah, Angela  
7 Feniger.

8 Q. I can't read the approved by  
9 name. Do you know that name?

10 A. Dino Taraban.

11 Q. Okay. And so, sir, this  
12 is -- the .0 or the first version of  
13 Par's SOM, suspicious order monitoring  
14 SOP, correct, sir?

15 A. Appears to be the first  
16 specific SOP entitled suspicious order  
17 monitoring.

18 Q. Okay. And --

19 A. But I wouldn't interpret  
20 that as suggesting that orders were not  
21 being looked at in some capacity prior to  
22 that.

23 Q. Yeah, that wouldn't be  
24 helpful, right? That'd be a real

1       problem?

2                       MS. VANNI:   Object to form.

3       BY MR. BUCHANAN:

4               Q.       I mean, you had a consultant  
5       come -- withdrawn.

6                       You had a consultant come in  
7       in 2010, in April, right?   The Buzzeeo  
8       group came in in April 2010?

9               A.       April.

10              Q.       We looked at that.

11              A.       Right.

12              Q.       They said, "There is no  
13       suspicious order monitoring program," is  
14       what they said, right?

15              A.       That was their observation.

16              Q.       Right.

17              A.       Those were their words.

18              Q.       They showed you the C.F.R.  
19       They made a recommendation, right?   They  
20       said, "You need an SOP," right?

21                      MS. VANNI:   Object to form.

22                      The document speaks for itself.

23                      MR. BUCHANAN:   I'm happy to  
24       let it speak for all of us.

1 THE WITNESS: They said --

2 MR. BUCHANAN: I told you  
3 I'd allow that to happen.

4 THE WITNESS: My  
5 interpretation of what they said  
6 is they said we need to improve  
7 our program around order  
8 monitoring.

9 BY MR. BUCHANAN:

10 Q. What they said, "There is no  
11 suspicious order monitoring program in  
12 place." You can agree that's what they  
13 wrote and told the company in early 2010,  
14 correct?

15 A. That's what they said in  
16 2010, based on the way they would define  
17 suspicious order monitoring.

18 Q. Right. And -- well, they  
19 said you had no suspicious order  
20 monitoring program in place. Yes or no?

21 A. That's what it says here.

22 Q. Thank you. They quoted you  
23 the regulation. Yes or no?

24 A. They quoted the regulation.

1           Q.       They said, "Although it was  
2       stated" -- okay, do you understand that  
3       to be referring to your people talking to  
4       the Buzzeo folks, right?

5                   MS. VANNI: Object to form.

6       BY MR. BUCHANAN:

7           Q.       "Although it was stated that  
8       sales are mainly to large wholesalers" --  
9       is that your understanding, sir?

10          A.       Right.

11          Q.       The Buzzeo folks got that  
12       information from your team at Par, right?

13          A.       Presumably yes, they were  
14       speaking to people at Par.

15          Q.       Right. "Although it was  
16       stated that sales are mainly to large  
17       wholesalers, a program must be instituted  
18       based on customer sales, volumes,  
19       seasonal fluctuations, et cetera, with a  
20       firm statistical analysis as the basis  
21       for such a program."

22                   Did I read that correctly,  
23       sir?

24          A.       You read -- that's what it

1       says.

2                   Q.       Okay. "It is further  
3       recommended that the basis for  
4       conducting" -- what? Due diligence.

5                           Do you see that?

6                   A.       I see that.

7                   Q.       -- "of new and existing  
8       customers and identifying and  
9       investigating and clearing of reporting  
10      suspicious orders be documented in an  
11      SOP."

12                           Did I read that correctly,  
13      sir?

14                  A.       You did.

15                  Q.       Okay. And so we have now,  
16      the rest of 2010 passes without an SOP,  
17      right?

18                  A.       This appears to be the first  
19      SOP that is specifically titled  
20      "Suspicious Order Monitoring."

21                  Q.       All of 2011 passes without  
22      an SOP, right?

23                  A.       As I said, this is the first  
24      SOP that appears to be entitled

1 "Suspicious Order Monitoring." That  
2 doesn't mean that Par wasn't complying  
3 with the registration around identifying  
4 potentially suspicious orders --

5 Q. And then in --

6 A. -- in the 2010-2011 time  
7 frame.

8 Q. Then sometime around April  
9 of 2012, you got around to getting an  
10 SOP, huh?

11 MS. VANNI: Object to form.

12 BY MR. BUCHANAN:

13 Q. Do I have that right?

14 MS. VANNI: Object to form.

15 THE WITNESS: In April  
16 of 2012, we published an SOP.

17 BY MR. BUCHANAN:

18 Q. Okay. And you published  
19 that SOP, and, you know, we can agree  
20 some 200 million units of pills and doses  
21 and patches -- I guess it's not pills.  
22 It's oral transmucosal fentanyl citrate  
23 and syrups, are going out the door with  
24 hydrocodone and fentanyl in 2010 and

1 2011, correct?

2 MS. VANNI: Object to form.

3 MR. BUCHANAN: Withdrawn.

4 Very confusing question.

5 MS. VANNI: Very.

6 BY MR. BUCHANAN:

7 Q. You told us earlier in  
8 April 2012 you published that SOP. Yet  
9 in 2010 and 2011 some 200 million dosage  
10 units of fentanyl citrate and hydrocodone  
11 went out the door, correct?

12 A. We sold those products in  
13 2010 and 2011.

14 Q. Okay.

15 A. You're assuming that the  
16 lack of -- the lack of an SOP meant that  
17 those orders were not being looked at or  
18 not being reviewed.

19 Q. You have not been able to  
20 highlight any written procedure, any  
21 documentation for the company that  
22 preceded the April 2012 SOP, correct,  
23 sir?

24 MS. VANNI: Object to form.

1 THE WITNESS: I don't have a  
2 document.

3 BY MR. BUCHANAN:

4 Q. So could you describe for  
5 us, sir, where in Exhibit 12 the company  
6 describes how it's going to determine  
7 what gets reported to the DEA?

8 A. If you can give me a minute  
9 to review this.

10 Q. Sure. Let's just -- let's  
11 just go to 1839.2 real quick.

12 A. 1839.2.

13 Q. We can agree under purpose,  
14 policy, and responsibility, there's  
15 nothing in here about reporting stuff to  
16 the DEA, correct?

17 A. It says, "Define process of  
18 suspicious order monitoring as determined  
19 by sales operations that we are in line  
20 with DEA requirements."

21 So if -- if the order needs  
22 to be reported to DEA, that would be in  
23 line with DEA requirements.

24 Q. Okay. So what orders, then,

1 are suspicious orders under your SOP for  
2 suspicious order monitoring, sir?

3 A. Orders that would be deemed  
4 of interest.

5 Q. Where are those? You're  
6 looking -- it sounds like you are not on  
7 1839.2. You are now on 18 point --

8 A. I'm just reviewing the  
9 document.

10 Q. -- 1839.3. We can agree  
11 1839.2 doesn't identify what a suspicious  
12 order is, correct?

13 MS. VANNI: Object to form.  
14 BY MR. BUCHANAN:

15 Q. Characteristics, quality.  
16 We could agree?

17 A. It says, "Define a process  
18 for suspicious order monitoring that's in  
19 line with DEA requirements." That's what  
20 it says.

21 Q. Okay. Let's go to 1839.3.  
22 So what were you telling  
23 your sales operations folks was a  
24 suspicious order on 1839.3?

1           A.       So what this is telling me  
2       is that they're looking at orders that  
3       are considered to be excessive. "If  
4       quantities are higher than the average  
5       transmission, it is questioned."

6           Q.       Where are you, sir?

7           A.       I'm on -- under procedure.

8           Q.       Okay. What paragraph?

9           A.       The second one. "Weekly  
10      replenishment purchase orders are  
11      analyzed by account service executives  
12      versus customer provided usages. If  
13      quantities are higher than the average  
14      transmission it is questioned.

15                   "The buyer is contacted to  
16      review a written request, is asked as to  
17      the reason for the increase. It is  
18      reviewed to ensure it is correct and  
19      warranted."

20          Q.       Mm-hmm. And then what gets  
21      reported to the DEA?

22          A.       If there is not a reasonable  
23      explanation for the order, and it was  
24      deemed suspicious, then under the

1 regulations it would need to be reported  
2 to DEA.

3 Q. Okay. And where is that?  
4 I'm just trying to find that?

5 Can we agree, sir, nothing  
6 in here spells out what and how it gets  
7 reported to the DEA?

8 A. It doesn't seem to describe  
9 that exact process. It seems to talk  
10 more about monthly reports are generated  
11 and sent to quality compliance for  
12 submission to DEA on a quarterly basis.

13 Q. Okay. We can agree, sir, in  
14 2010, I think your testimony was no  
15 orders were identified as suspicious or  
16 reported to DEA, correct?

17 A. We did not submit any  
18 suspicious orders based on our review of  
19 the orders.

20 Q. And not in 2011 or in 2012,  
21 correct, sir?

22 A. Not to my knowledge.

23 Q. Okay.

24 A. After review and

1 investigation.

2 Q. Well, in fact, there was no  
3 SOP in force until April of 2012,  
4 correct?

5 MS. VANNI: Object to form.

6 THE WITNESS: Yes. No SOP  
7 specifically entitled "Suspicious  
8 Order Monitoring."

9 BY MR. BUCHANAN:

10 Q. Okay. And, in fact, please  
11 tell the jury who had a responsibility  
12 for evaluating orders once you had an  
13 SOP.

14 Let's go to 1839.2. Do you  
15 see the heading that says Responsibility?

16 Who had responsibility?

17 A. "Sales" -- "sales  
18 operations/account services to monitor  
19 applicable Par trade customer purchase  
20 orders."

21 Q. Okay. So the sales group?

22 A. These aren't -- these aren't  
23 salespeople. These are -- these are  
24 people that -- these are more clerical

1 people, administrative people that take  
2 the orders. They are not salespeople.

3 Q. They are not compliance  
4 people.

5 MS. VANNI: Object to form.

6 THE WITNESS: No, they are  
7 customer service people.

8 BY MR. BUCHANAN:

9 Q. Customer service -- in the  
10 sales side of the organization, correct?

11 A. They would sit in the sales  
12 organization.

13 Q. Okay. And so not too long  
14 after this particular SOP, sir, you  
15 crafted another SOP, right?

16 Have you seen any of these,  
17 by the way?

18 A. I've reviewed SOPs,  
19 policies.

20 Q. Have you seen these?

21 A. I saw this one.

22 Q. Oh, you did. Okay. So --

23 A. Like I said earlier, I  
24 just -- I couldn't recall the date. I

1 have seen the document.

2 Q. Okay. All right. Let's go  
3 to 1845, please.

4 We're going to pass it over  
5 to you. It's going to be the next in  
6 order.

7 MR. BUCHANAN: What is the  
8 next in order?

9 13.

10 (Document marked for  
11 identification as Exhibit  
12 Endo-Macrides-13.)

13 BY MR. BUCHANAN:

14 Q. Okay. So here we go, sir.  
15 Passing you what we now have as  
16 Exhibit 13 to your deposition.

17 This is the next iteration  
18 of the suspicious order monitoring  
19 protocol, correct?

20 A. Version 2.1, yes.

21 Q. Okay. And that's the way we  
22 can track these SOPs, by an SOP number  
23 and then a dot with a version number?

24 A. Version number.

1 Q. Okay. That's kind of the  
2 way the corporate stuff works?

3 A. That's how we work from a  
4 compliance perspective.

5 Q. Gotcha. And then it says  
6 over here, "Supersedes." And it lists  
7 the prior one we just looked at, right?

8 A. That's correct.

9 Q. Okay. Does that help give  
10 you comfort, sir, we were looking at the  
11 first SOP just a moment ago on suspicious  
12 order monitoring of Par, as of  
13 April 2012?

14 A. Yeah, I believe I already  
15 said that.

16 Q. Okay. Well, let's look at  
17 how the company framed its suspicious  
18 order monitoring duties.

19 MS. VANNI: Object to form.

20 MR. BUCHANAN: Can we go  
21 to -- I think it's .3.

22 Actually, just for the  
23 jury's benefit can we go back to  
24 .1.

1 BY MR. BUCHANAN:

2 Q. This was put in force in  
3 October of 2012, correct?

4 A. That's what it says.

5 Q. Okay. And then if we go to  
6 dot -- and again it was -- go back again,  
7 I'm sorry.

8 Again, it was written by the  
9 same director of sales operations, right?

10 A. Right.

11 Q. And signed off by the --  
12 excuse me, checked by the account  
13 services executive, right?

14 A. Right.

15 Q. That's a different name than  
16 last name.

17 And then we've got that same  
18 Dino person, head of QA?

19 A. Yeah, he was -- he was head  
20 of compliance for the -- for Par.

21 Q. Okay.

22 A. All of compliance.

23 Q. Okay.

24 A. Quality and DEA compliance.

1 Q. Okay. And well, let's look  
2 at how this SOP evolved.

3 MR. BUCHANAN: Can we go to  
4 .3.

5 BY MR. BUCHANAN:

6 Q. It says, "Reporting  
7 suspicious criminal activities."

8 Do you see that?

9 A. I see that.

10 Q. Okay. "If criminal activity  
11 is suspected, report the following" --  
12 "report the following to the state  
13 agencies that are" -- "that license the  
14 facility, e.g., board of pharmacy and  
15 Food and Drug Administration, as well as  
16 Drug Enforcement Administration for  
17 controlled substances within three days  
18 of suspecting criminal activity."

19 Do you see that, sir?

20 A. I see that.

21 Q. Okay. We can agree, sir,  
22 that your obligation and your promise as  
23 a registrant, is to report orders of  
24 unusual frequency, orders of unusual

1 size, consistent with the regulation we  
2 looked at a moment ago.

3 Do you recall that?

4 A. The regulation states that  
5 if we deem an order to be suspicious,  
6 then we report it.

7 Q. Right. I mean, the standard  
8 is not whether it's suspicious criminal  
9 activities, right?

10 MS. VANNI: Object to form.

11 THE WITNESS: If we deem an  
12 order to be suspicious, then we  
13 report it.

14 BY MR. BUCHANAN:

15 Q. Right. That is what the  
16 regulation requires, right?

17 A. That's what the regulation  
18 says.

19 Q. Right. And what this says  
20 is, if criminal activity is suspected,  
21 that's when you have to do this, correct?

22 MS. VANNI: Object to form.

23 THE WITNESS: That's not how  
24 I would interpret this. This

1           seems to be covering more broadly  
2           activity around -- I think it's  
3           a -- it's a broad statement that  
4           goes beyond just identifying a  
5           suspicious order.

6       BY MR. BUCHANAN:

7           Q.       Well, we could agree, sir,  
8           that the language that's reflected here  
9           in terms of, if criminal activity is  
10          suspected report the following to, and it  
11          lists the agencies and whatnot.

12                    That does not align with  
13          what the Buzzeo group told you in 2010,  
14          correct?

15                   MS. VANNI: Object to form.

16       BY MR. BUCHANAN:

17           Q.       Of your regulatory  
18          responsibility?

19           A.       The Buzzeo report  
20          specifically referenced the C.F.R.

21           Q.       Right.

22           A.       This is talking about  
23          suspicious criminal activity.

24           Q.       Okay.

1           A.       Which goes, in my  
2       interpretation, beyond simply identifying  
3       and reporting a suspicious order.

4           Q.       Right. Well beyond, right?

5                   MS. VANNI: Object to form.

6       BY MR. BUCHANAN:

7           Q.       This was, in fact, sir, the  
8       SOP that you had in force for the next  
9       several years, right?

10                  MS. VANNI: Object to form.

11                  THE WITNESS: Well, this SOP  
12       would have been in existence until  
13       we revised it.

14       BY MR. BUCHANAN:

15           Q.       Okay. Well, we could agree  
16       that the Buzzeo group said you need a  
17       statistically valid suspicious order  
18       monitoring methodology that took account  
19       of seasonal fluctuation, customer sales  
20       volumes, with a firm statistical analysis  
21       and basis for the program. We can agree  
22       that's what they told you to do, right?

23           A.       Buzzeo made a recommendation  
24       of what they felt we should do, yes.

1           Q.     Okay. Based on somebody  
2     with a lot of industry exposure,  
3     experience, and knowledge of what's  
4     expected under the regulations, fair?

5           A.     Based on their experience,  
6     yes.

7           Q.     Okay. We could agree that  
8     you did not institute a program with a  
9     firm statistical analysis, sales volume,  
10    seasonal fluctuations, as the basis for  
11    your suspicious order monitoring program,  
12    correct?

13                   MS. VANNI: Object to form.

14                   THE WITNESS: I wouldn't  
15                   characterize it that way.

16    BY MR. BUCHANAN:

17           Q.     Okay. Because frankly,  
18     there is no statistical analysis that's  
19     performed as part of Par's suspicious  
20     order monitoring program as of 2012,  
21     right, sir?

22                   MS. VANNI: Object to form.

23                   THE WITNESS: What this  
24                   says, and what we were doing was

1 looking at orders versus  
2 historical parameters and making  
3 an assessment of whether or not  
4 the order was exceeding that. And  
5 then doing the appropriate  
6 investigation to determine whether  
7 we conclude whether the order  
8 could be suspicious.

9 BY MR. BUCHANAN:

10 Q. Right.

11 A. That's what we were doing.  
12 Which -- which the regulation requires us  
13 to have a program in place to identify a  
14 suspicious order.

15 Q. Right.

16 A. The SOP is focused on  
17 meeting that obligation under the  
18 regulation.

19 Q. Okay. We can agree, sir,  
20 without regard to whether you said it met  
21 it or didn't meet it, that the program  
22 the company had in place as of 2012 did  
23 not have a firm statistical foundation  
24 that was accounting for seasonal

1 fluctuation of customer sales volumes,  
2 other classes of trade, et cetera,  
3 correct?

4 MS. VANNI: Object to form.

5 THE WITNESS: Well, that  
6 would depend upon what your  
7 definition of a -- of a firm  
8 statistical analysis here. We do  
9 talk about -- in the SOP, you  
10 know, we do talk about looking at  
11 these orders and understanding if  
12 an order deviates from what we  
13 expect, then reviewing that across  
14 a number of parameters, one of  
15 which could be seasonality.

16 BY MR. BUCHANAN:

17 Q. Where are the records of all  
18 of the orders that pended -- so you  
19 understand there's some language they use  
20 in this space as pended or held with  
21 regard to orders that come in under  
22 suspicious order monitoring systems?

23 MS. VANNI: Object to form.

24 BY MR. BUCHANAN:

1 Q. Do you understand that  
2 language?

3 A. I understand that language,  
4 yes.

5 Q. So Par had a sales order  
6 system, right?

7 A. Par had a system for taking  
8 orders, yes.

9 Q. So how many orders that Par  
10 had between 2010 and prior to the  
11 acquisition by Qualitest or Endo were  
12 pended?

13 A. I don't have that  
14 information.

15 Q. Okay. What system did  
16 Qualitest track its orders by?

17 A. Are you asking me about Par  
18 or Qualitest?

19 Q. Did I say Qualitest?

20 MS. VANNI: You said  
21 Qualitest.

22 THE WITNESS: You said  
23 Qualitest.

24 MR. BUCHANAN: That was a

1 slip.

2 BY MR. BUCHANAN:

3 Q. What system did Par,  
4 pre-merger with Qualitest, use to conduct  
5 its suspicious order monitoring?

6 A. I believe Par at that time  
7 would have been using JD Edwards as its  
8 ERP system to take orders. So how orders  
9 were held or pended would have depended  
10 on the functionality of JD Edwards.

11 Q. Okay. And does the JD  
12 Edwards system have records of all the  
13 pended orders?

14 A. I can't speak to that.

15 Q. Are you aware of any orders  
16 that were ever pended between 2010 and  
17 2015 for Par customers?

18 A. I can't speak to which  
19 specific orders were pended. I can only  
20 speak to what we were doing here relative  
21 to the SOP.

22 Q. Okay. And did the JD  
23 Edwards system actually have an algorithm  
24 in it as of 2010, 2011, 2012?

1           A.       The JD Edwards system would  
2     have had information on the history --  
3     the history of orders.

4           Q.       Not asking you that, sir.  
5     I'm asking you whether they actually had  
6     an algorithm to identify orders of  
7     interest.

8                   MS. VANNI: Object to form.

9                   THE WITNESS: There were  
10    sales history, order history to  
11    use to evaluate orders.

12   BY MR. BUCHANAN:

13           Q.       So you're saying that a  
14    customer service person was supposed to  
15    look at order history for every order.  
16    The system wasn't doing anything to flag  
17    orders?

18           A.       I don't know if there  
19    were --

20                   MS. VANNI: Object to form.

21                   THE WITNESS: I'm sorry.

22                   I don't know if there were  
23    specific reports that people  
24    were -- JD Edwards has a report

1 writing mechanism. There may have  
2 been specific reports that  
3 customer service representatives  
4 were looking at or had developed  
5 by IT that would help them, you  
6 know, collate that data for their  
7 review.

8 BY MR. BUCHANAN:

9 Q. Okay. Well, you do have  
10 some knowledge, obviously, of what an  
11 algorithm looks like for suspicious order  
12 monitoring, correct?

13 A. Correct.

14 Q. We'll talk about later  
15 today, Qualitest implemented something in  
16 2013 and '14 a more involved suspicious  
17 order monitoring --

18 A. We used -- yeah, we used  
19 Cegedim to develop the algorithm.

20 Q. You used the very  
21 consultant --

22 A. We did.

23 Q. -- that came in and told you  
24 in 2010 that there was no suspicious

1 order monitoring program for Par,  
2 correct?

3 MS. VANNI: Object to form.

4 THE WITNESS: As I said,  
5 we've used consultants over the  
6 years to help us enhance our  
7 programs.

8 BY MR. BUCHANAN:

9 Q. That wasn't my question. My  
10 question was you used the same consultant  
11 to incorporate the suspicious order  
12 monitoring algorithm in 2014 that told  
13 you, you had no program in 2010 in Par,  
14 correct?

15 MS. VANNI: Object to form.

16 THE WITNESS: We used  
17 Cegedim to develop an algorithm  
18 for us.

19 BY MR. BUCHANAN:

20 Q. Okay. And that algorithm,  
21 we could agree, is certainly more  
22 advanced than what's reflected in the  
23 exhibit before you, the 2012 SOP,  
24 correct, sir?

1           A.       I think this is -- as the  
2       landscape has evolved here around  
3       suspicious order monitoring, the  
4       algorithms have become more  
5       sophisticated.

6           Q.       Well, sir, y'all were pretty  
7       sophisticated in figuring out how to sell  
8       your products, right?

9           MS. VANNI:   Object to form.

10          THE WITNESS:   I'm not here  
11       to testify on how we sell our  
12       products.

13       BY MR. BUCHANAN:

14          Q.       I know, but --

15          A.       That's somebody else's  
16       responsibility.

17          Q.       You used a lot of different  
18       systems to make money, right?

19          MS. VANNI:   Objection.

20       Beyond the scope.   Argumentive.

21       BY MR. BUCHANAN:

22          Q.       I'm just suggesting, sir --  
23       I mean, look, the company had success  
24       growing its business.   We looked at the

1 charts. We looked at how the pill counts  
2 grew. We looked at how that evolved. We  
3 looked at how -- and we know how  
4 companies invest in infrastructure to  
5 figure out how to best promote and sell  
6 and make money. Do you agree --

7 MS. VANNI: Object.

8 BY MR. BUCHANAN:

9 Q. -- companies do that?

10 MS. VANNI: Objection to  
11 form.

12 THE WITNESS: We are a  
13 company that sells --

14 BY MR. BUCHANAN:

15 Q. Do you agree that companies  
16 do that?

17 MS. VANNI: Objection to  
18 form. You just cut him off. He  
19 was answering.

20 Go ahead and answer.

21 THE WITNESS: We are a  
22 company that sells --

23 BY MR. BUCHANAN:

24 Q. Withdrawn. No question.

1 MS. VANNI: Can we take a  
2 lunch break now? We've been going  
3 about an hour and a half.

4 MR. BUCHANAN: Let me -- let  
5 me just finish this thread.

6 MS. VANNI: Okay.

7 MR. BUCHANAN: So -- can I  
8 have 1072?

9 BY MR. BUCHANAN:



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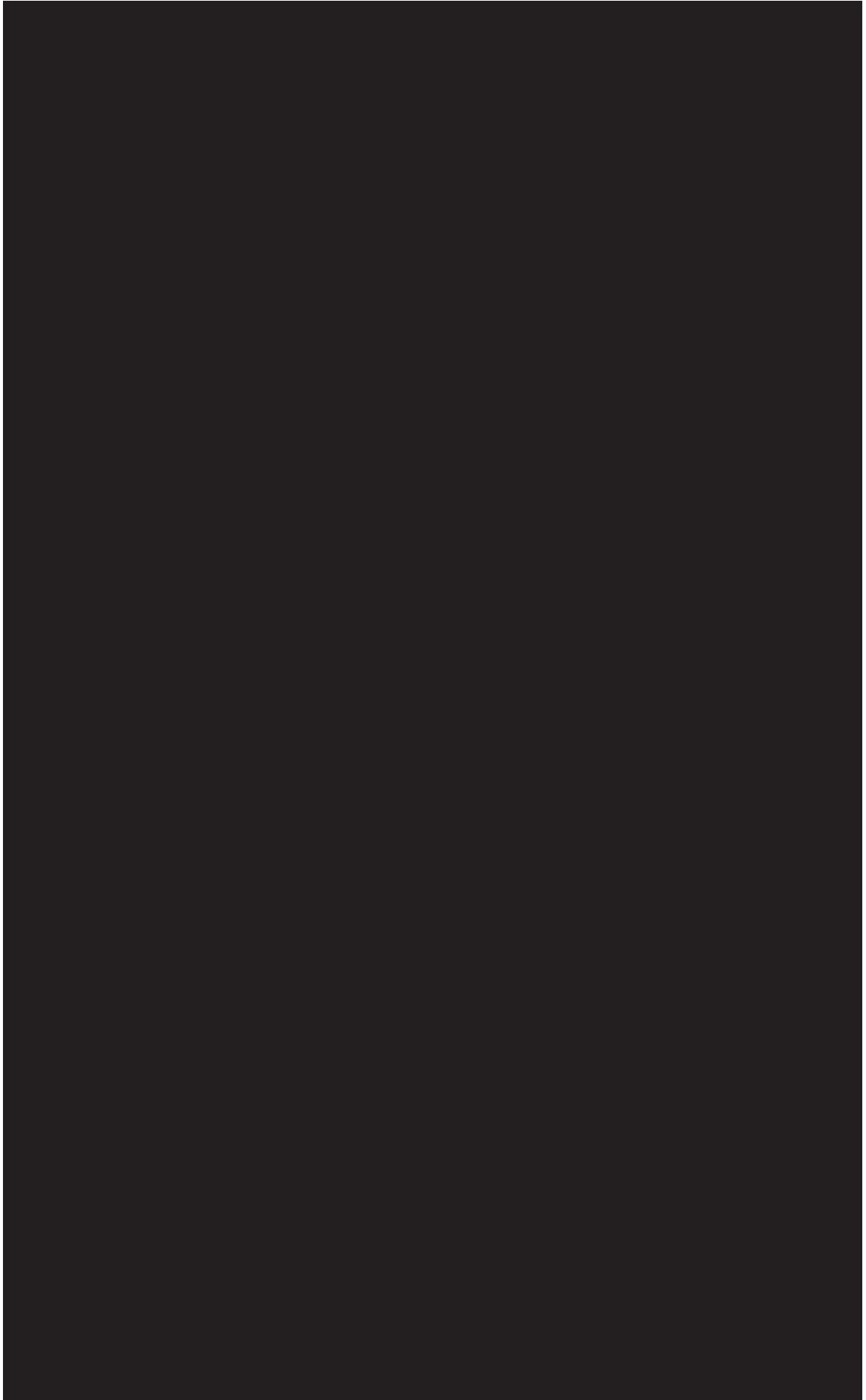
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10 MS. VANNI: Objection to  
11 colloquy and arguing with the  
12 witness.

13 THE WITNESS: What specific  
14 part of the document are you  
15 referring to? Let's go back and  
16 look at it.

17 MS. VANNI: I'm going to  
18 need a lunch break soon. We've  
19 been going over an hour and a  
20 half.

21 MR. BUCHANAN: I -- I  
22 understand that and I -- I  
23 certainly would not have  
24 anticipated this kind of fuss on

1                   this point.

2       BY MR. BUCHANAN:

3                   Q.       Okay.   Let's go to 11.

4                   A.       Page 11?

5                   Q.       I'm sorry, Exhibit 11,  
6       E-1056.10.

7                   A.       Oh, I'm sorry.   Back in the  
8       other one.

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Q. Thank you.

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MR. BUCHANAN: We can take a  
break.

10

11

THE VIDEOGRAPHER: Off the  
record at 12:09 p.m.

12

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13

(Lunch break.)

14

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A F T E R N O O N S E S S I O N

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THE VIDEOGRAPHER: We are  
back on the record at 12:58 p.m.

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EXAMINATION (Cont'd.)

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- - -

22

BY MR. BUCHANAN:

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24

Q. All right, sir, welcome  
back. Do you understand you're still

1 under oath?

2 A. I do.

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MR. BUCHANAN: Can I have  
1840, please.

1 BY MR. BUCHANAN:

2 Q. Okay. Passing to you what  
3 we're marking as Exhibit 15.

4 (Document marked for  
5 identification as Exhibit  
6 Endo-Macrides-15.)

7 BY MR. BUCHANAN:

8 Q. And Exhibit 15 is an e-mail  
9 exchange, if we start at bottom up, which  
10 would be on the second page, sir, 1840.2.  
11 We see an e-mail from Jaydeep Shukla to  
12 Jessica Clark and others.

13 Do you see that?

14 A. Yes.

15 Q. Jaydeep Shukla, do you know  
16 who that is?

17 A. She was a -- actually, I  
18 think it's a he. I apologize. Works in  
19 the DEA compliance group within Par.

20 Q. Okay. Are you getting that  
21 just from the e-mail signature, or did  
22 you --

23 A. No, no. I know who this  
24 person is.

1           Q.     Okay. Okay. Fair. There's  
2     a question that's being sent. Was  
3     Jaydeep part of the former organization  
4     of Par or the former organization of  
5     Qualitest?

6           A.     Former organization of Par.

7           Q.     Okay. So Jaydeep was asking  
8     her colleague? Or his colleague?

9           A.     Jaydeep is a he.

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Q. Thank you.

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7

Okay. So let's talk a little about Qualitest, then.

8

A. Okay.

9

Q. I'm just going to keep my stacks clean.

11

MR. BUCHANAN: Can you get that ready for me?

13

BY MR. BUCHANAN:

14

Q. Before we move into talking in detail about Qualitest, can you pull up Exhibit 4, please.

17

We spent some time looking at this briefly at the outset. This is, to reorient yourself, sir, this is Exhibit 4. It's -- looks like it's to your right.

22

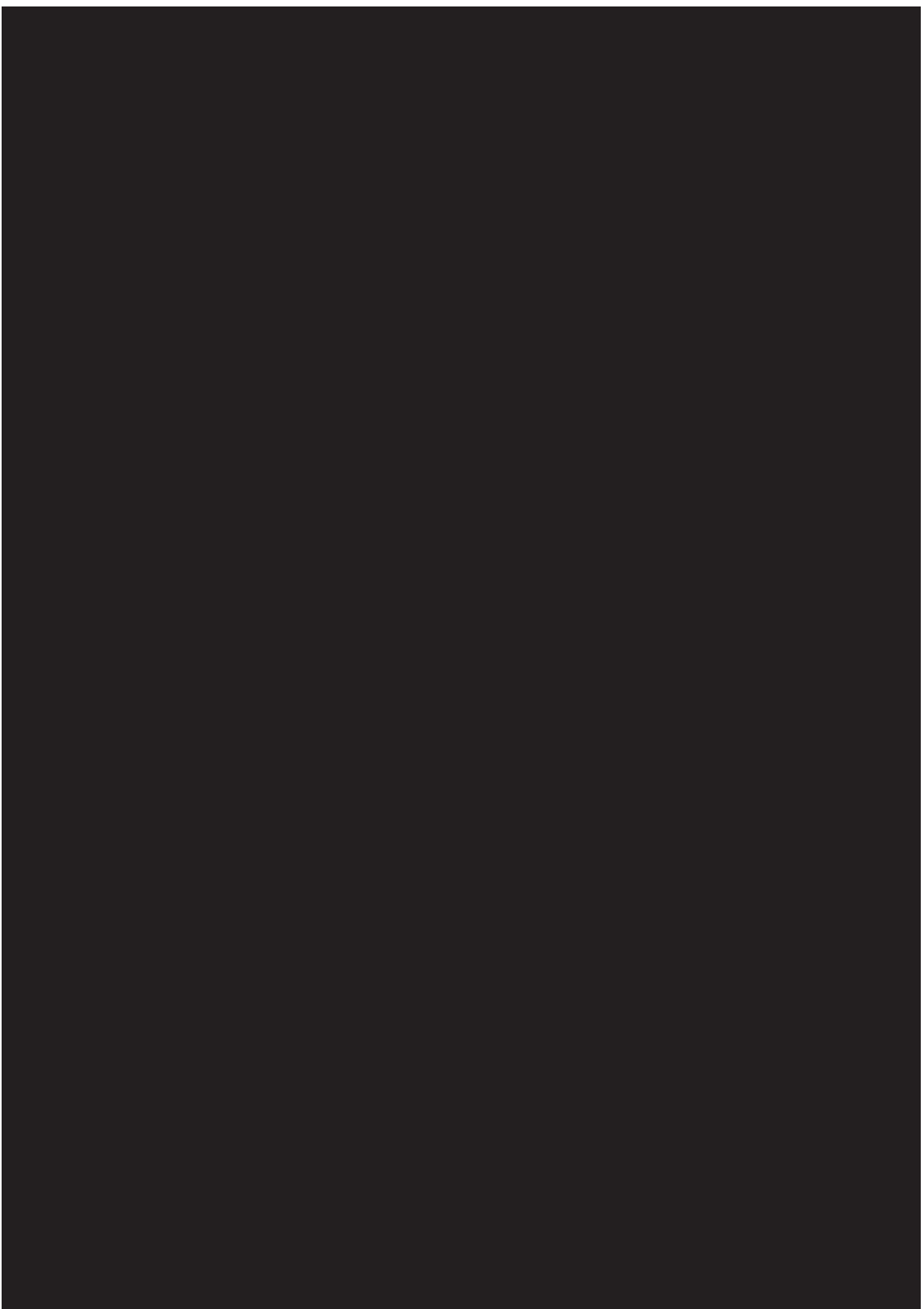
Yeah. This is a chart of the -- the Endo sales of opioid-containing products over the

1       years.

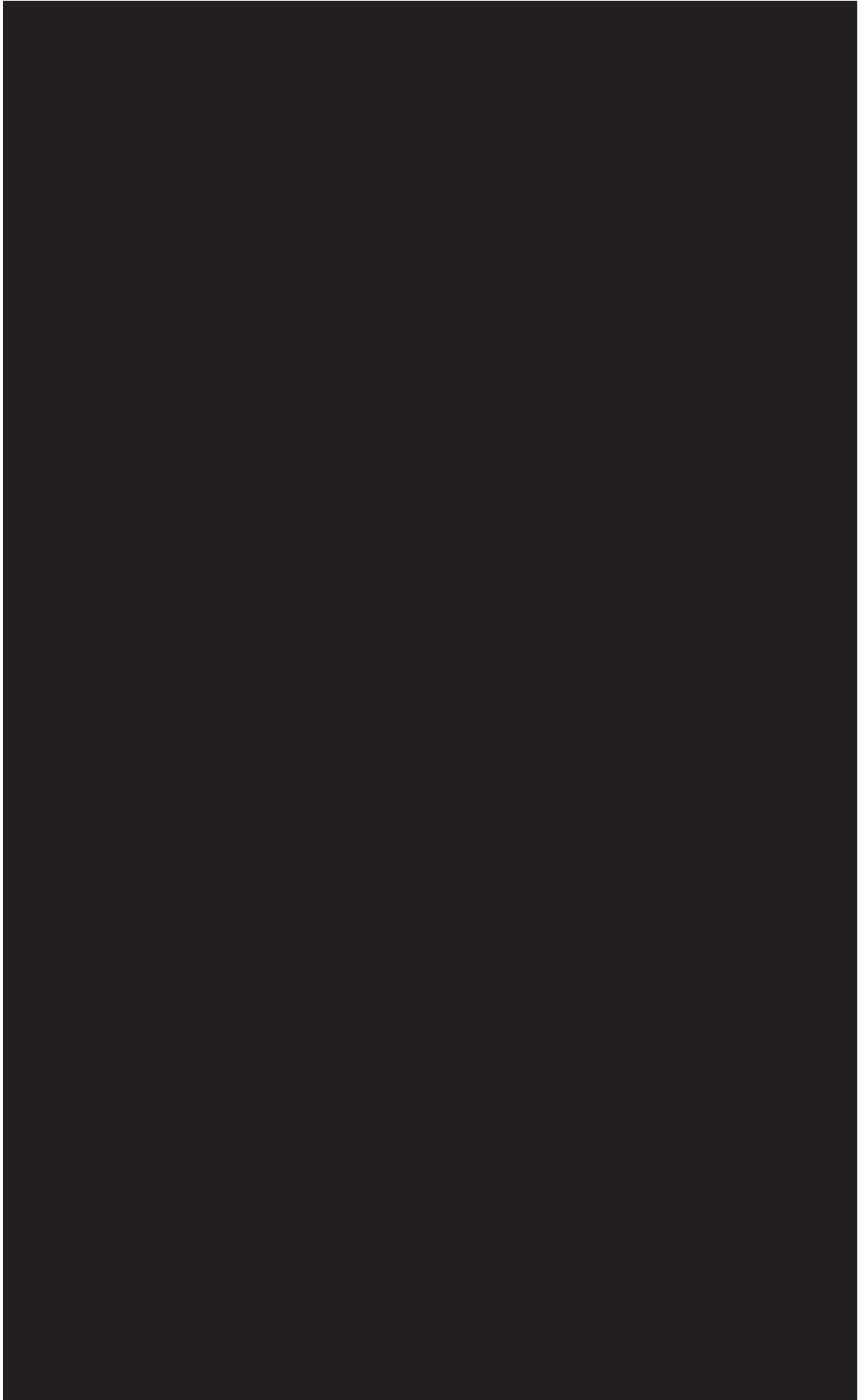
2                               Do you see that?

3                   A.       I do.

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15 Q. Okay. All right. Let's  
16 take now a look at Qualitest.

17 (Document marked for  
18 identification as Exhibit  
19 Endo-Macrides-16.)

20 BY MR. BUCHANAN:

21 Q. Sir, passing you what's --  
22 what we're marking as Exhibit 6.

23 Again, as in the last case,  
24 sir, Exhibit 6 is the summary chart.

1 MS. VANNI: Thank you.

2 MR. BUCHANAN: Can I  
3 actually have the underlying  
4 schedule that was provided to us  
5 by defense counsel?

6 BY MR. BUCHANAN:

7 Q. I say provided to us by  
8 defense counsel. The -- this was the  
9 data that was identified by Par as its  
10 sales and shipments of opioid-containing  
11 products over the years.

12 A. So this data is this --

13 Q. Yeah. It's -- it's just  
14 collapsed down so that you can see it.

15 A. Thank you.

16 Q. On a sheet.

17 MR. BUCHANAN: What did we  
18 call this? Exhibit 6.

19 BY MR. BUCHANAN:

20 Q. Okay. So let's now look at  
21 Exhibit 6. And feel free to reference  
22 Exhibit 16 which is the underlying data,  
23 if you need to. To me it's easier to  
24 look at Exhibit 6.

1 But looking at Exhibit 6.

2 MR. BUCHANAN: And pulling  
3 up 1810 on the screen, please.

4 BY MR. BUCHANAN:

5 Q. Qualitest data was produced  
6 to us only from 2008 to 2015. So our  
7 chart here starts at 2008.

8 It is my understanding, sir,  
9 is it yours, that Qualitest was in the  
10 business of making opioids well before  
11 2008?

12 MS. VANNI: Object to form.

13 THE WITNESS: I can't speak  
14 to Qualitest prior to 2007. That  
15 was a different company.

16 I can tell you that we would  
17 have been distributing opioids in  
18 2007. I can't speak to prior to  
19 2007.

20 BY MR. BUCHANAN:

21 Q. Obviously the -- the entity  
22 was bought by, is it Apax Partners or --  
23 do you -- do you know who the predecessor  
24 entity was before Endo bought Qualitest?

1           A.       I believe it was a company  
2       called Apax.

3           Q.       Right. And they bought an  
4       established business in late 2007 that  
5       continued to do business as Qualitest,  
6       correct?

7                   MS. VANNI: Object to form.

8                   THE WITNESS: The company  
9           that Endo purchased did business  
10       as Qualitest.

11   BY MR. BUCHANAN:

12           Q.       And the company that Endo  
13       purchased it bought from Apax, correct?

14           A.       That is my understanding.

15           Q.       Apax is a private equity  
16       firm?

17           A.       That is my understanding.

18           Q.       Apax bought the company in  
19       2007, gussied it up and flipped it off to  
20       Endo in 2010.

21                   MS. VANNI: Object to form.

22                   THE WITNESS: I don't really  
23       know much about Apax' operating  
24       philosophy. I just know that they

1           owned the company and then sold it  
2           to Endo.

3       BY MR. BUCHANAN:

4           Q.       Okay. Well, and I guess the  
5       relevant point for us, sir, is that the  
6       entity that Apax bought in 2007 had been  
7       in the opioid business for years, right?

8           A.       I can't really speak to  
9       anything prior to 2007. I -- I  
10      believe -- I believe that Endo bought  
11      different legal entities than what was  
12      being operated prior to 2007.

13                   But I don't have specific  
14      knowledge about the legal entity  
15      structure of those companies.

16           Q.       Okay. Let's -- let's take a  
17      short fork in the road just so we can  
18      make sure the record is clear.

19                   MR. BUCHANAN: Could I have  
20      1813, please. I think that's one  
21      of my -- there we go.

22                   What's this going to be next  
23      in order, 17?

24                   (Document marked for

1 identification as Exhibit

2 Endo-Macrides-17.)

3 BY MR. BUCHANAN:

4 Q. There you are, sir. Passing  
5 you what's been marked as Exhibit 17 to  
6 your deposition. It's an e-mail between  
7 Paul Evans and Jeremy Tatum. Do you know  
8 Paul?

9 A. I do not know Paul Evans.

10 Q. Do you know Mr. Tatum?

11 A. I do know Jeremy Tatum.

12 Q. Who's Mr. Tatum?

13 A. Jeremy Tatum was involved in  
14 the commercial organization within  
15 Qualitest.

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1           Q.       You also know, sir, in 2012,  
2       there's a declaration by the CDC that  
3       this was an epidemic, right?

4                   MS. VANNI:   Object to form.

5       BY MR. BUCHANAN:

6           Q.       Did you hear that?

7                   MS. VANNI:   Beyond the  
8       scope.

9                   THE WITNESS:   I believe I  
10       testified earlier that I  
11       understood that there was an  
12       opioid abuse epidemic in this  
13       country.

14                   MR. BUCHANAN:   Can we pull  
15       that back up, please.

16       BY MR. BUCHANAN:

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BY MR. BUCHANAN:

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Q. Okay. I'd like to talk to you about Qualitest's specific suspicious order monitoring programs. You've been designated on that as well. You are aware of that?

10

A. I am.

11

Q. Okay.

12

13

MR. BUCHANAN: Do you mind if we do an early break?

14

15

MS. VANNI: No. We can take a break.

16

17

THE VIDEOGRAPHER: Off the record at 1:47 p.m.

18

(Short break.)

19

20

THE VIDEOGRAPHER: We are back on the record at 1:56 p.m.

21

BY MR. BUCHANAN:

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24

Q. All right, sir. Just to orient you and kind of keep our buckets clean, we spent some time talking about

1 Par and kind of its evolution, its  
2 business, its suspicious order monitoring  
3 practices over time.

4 Do you recall that?

5 A. I do.

6 Q. Now I'm going to focus in  
7 on -- because I'm going to probably use  
8 the time -- the name Par from time to  
9 time and Qualitest from time to time.

10 But I want to refer to the  
11 predecessor entity's business that was  
12 Qualitest. That's where we finished up  
13 before the break, and if there's any  
14 confusion in my terminology, please ask  
15 me to clarify and I'll be happy to do  
16 that.

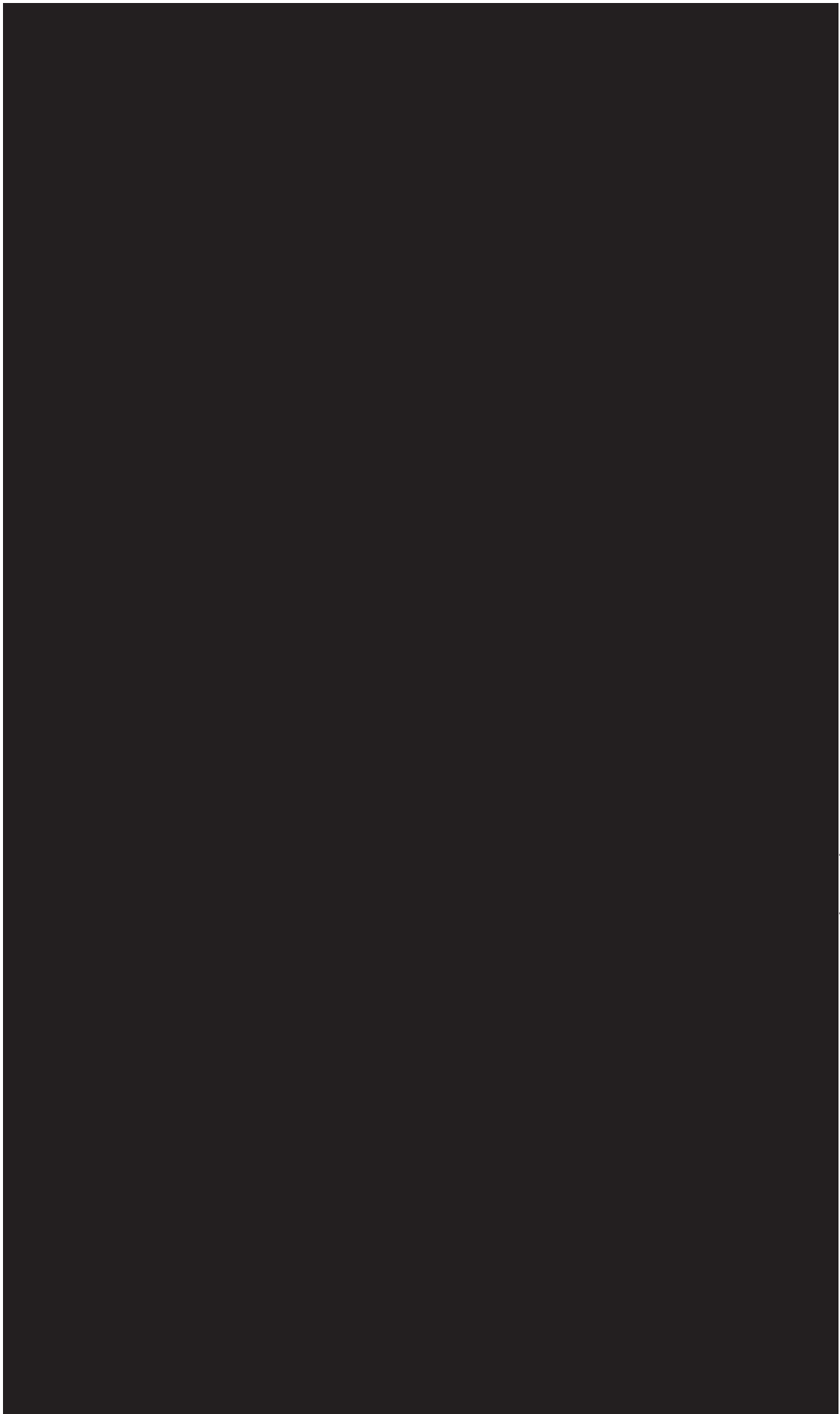
17 Okay?

18 A. Okay.

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Q. Okay. And taking your  
30(b)(6) hat off for the moment.

A. Okay.

Q. Were you -- were you in the  
Qualitest side of the business prior to  
the merger?

A. I was an Endo employee at  
this particular time.

Q. But just to answer my  
question. Did -- did you have  
Qualitest's role and function prior to  
the merger?

A. Prior to the merger, prior  
to the Par merger?

Q. Yes, sir.

A. So I was an Endo employee  
initially. At some point I became a

1     Qualitest employee. I believe that was  
2     in early 2015.

3             Q.     Okay. So in and around the  
4     time that the Par-Qualitest transaction  
5     was going to happen?

6             A.     Correct.

7             Q.     Okay. So at this point in  
8     time really, and in the information,  
9     testimony you're going to provide is  
10    really on the basis of the preparation  
11    that you've done to -- to testify for the  
12    company today?

13            MS. VANNI: Object to form.

14            THE WITNESS: Correct.

15    BY MR. BUCHANAN:

16            Q.     When I say "and around this  
17    point in time," I'm pointing to the  
18    document.

19            But when we're talking about  
20    the interaction between Qualitest or  
21    Vintage Pharmaceuticals and the DEA in  
22    2013, your testimony really reflects the  
23    preparation you've done to answer these  
24    questions for us today, correct?

1                   A.       I would agree.

2                   Q.       No firsthand experience at  
3 the time, correct?

4                   A.       Correct.

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THE VIDEOGRAPHER: Off the  
record at 2:06 p.m.

(Brief pause.)

THE VIDEOGRAPHER: Back on  
the record at 2:08 p.m.

BY MR. BUCHANAN:

Q. Sir, we are on Exhibit 8 --  
is it 8 or 18? It's 18.

A. 18.

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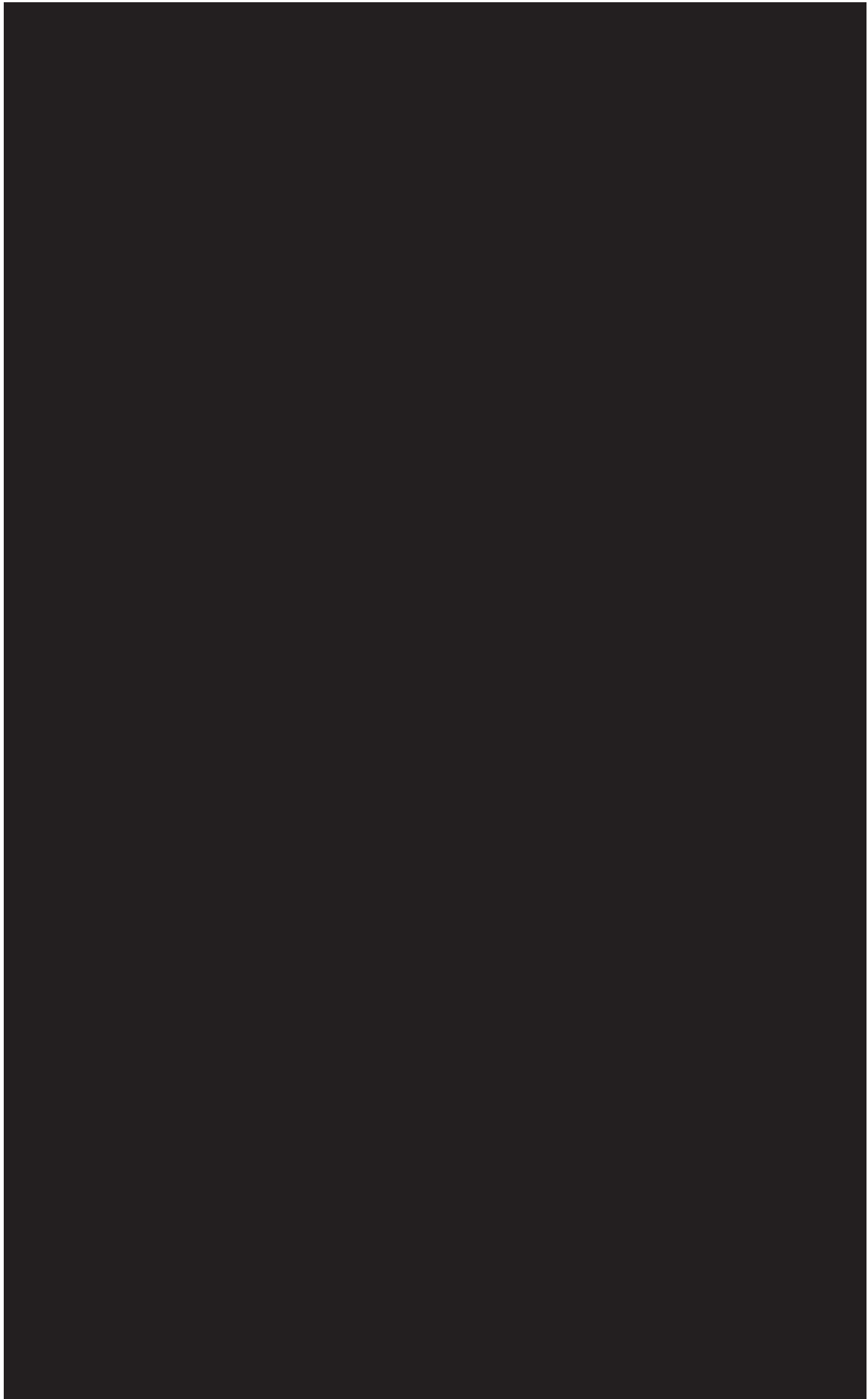
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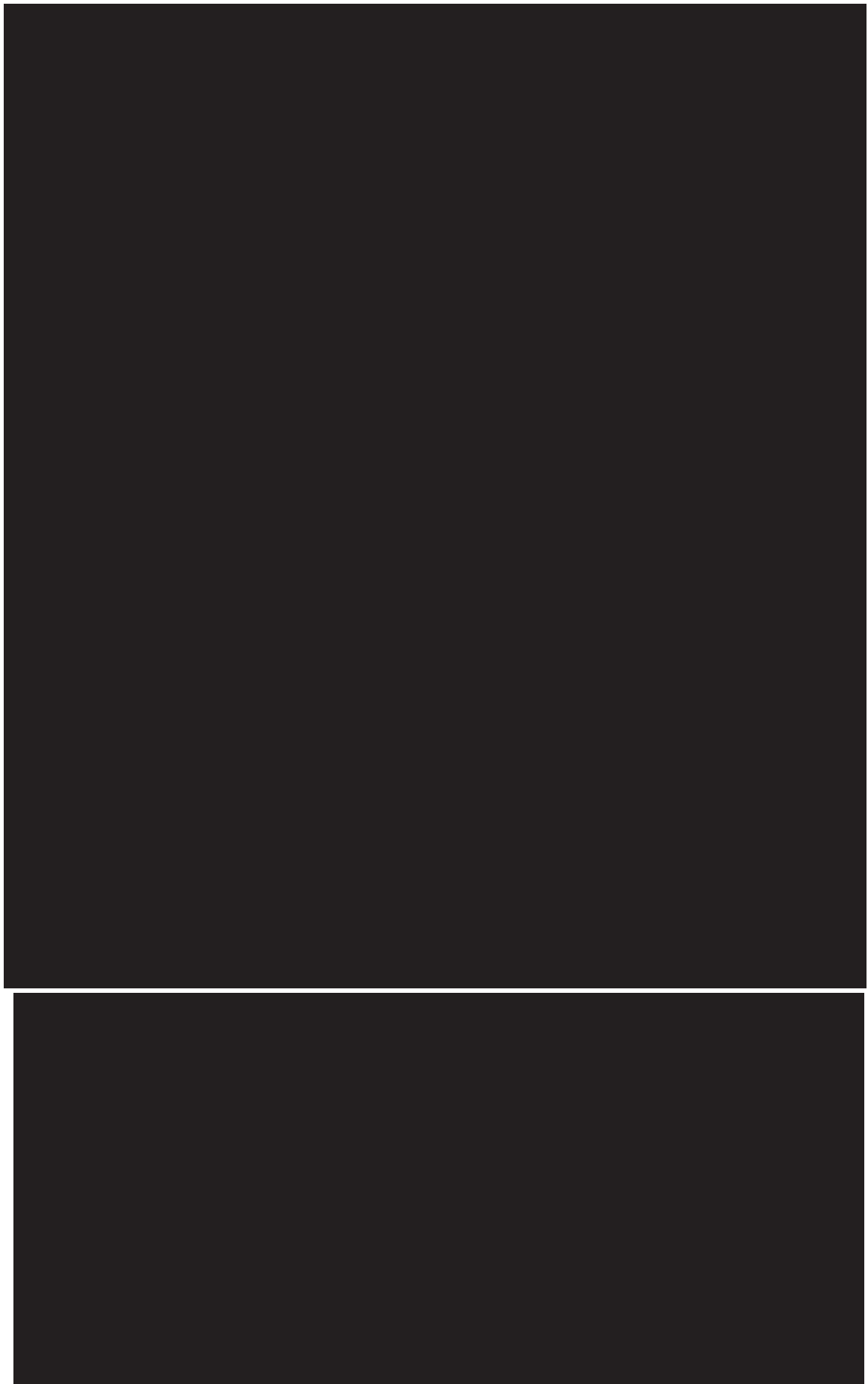
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MR. BUCHANAN: Okay. Can I  
please have 575.

7

THE WITNESS: But I -- you  
know, that's my recollection.

9

10

(Document marked for  
identification as Exhibit  
Endo-Macrides-19.)

11

12

BY MR. BUCHANAN:

13

14

15

Q. Passing you what we're  
marking as Exhibit 19 to your deposition,  
sir.

16

17

18

It's a transmittal from  
Ms. Hernandez to Peter Bigelow, Sanjay  
Patel, and Denise Hudson.

19

Do you see that?

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A. I see that.

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Q. Okay. All right. So  
let's -- let's orient ourselves a little  
further in that meeting.

MR. BUCHANAN: Can I please  
have E-1824.

(Document marked for  
identification as Exhibit  
Endo-Macrides-20.)

BY MR. BUCHANAN:

Q. I'm passing to you what  
we're marking as Exhibit 20 to your  
deposition today, sir.

It's an e-mail from  
Mr. Patel to Ms. Hernandez from 2013  
forwarding an image.

Do you see that? Do you see

1       that, sir?

2               A.       Yeah. I see it's forwarding  
3       an image. I'm just familiarizing myself  
4       with the document.

5               Q.       And this says Mr. Patel is  
6       with Endo?

7               A.       He was an Endo employee.

8               Q.       Okay. So what was his role  
9       and function at Endo?

10              A.       He was at that time  
11       responsible for Endo's supply chain  
12       function. And he was a -- it was a  
13       corporate position. So that would have  
14       extended to supply chain operations  
15       within the Qualitest business.

16              Q.       Okay. And so the Endo folks  
17       were supporting the Qualitest folks?

18                      MS. VANNI: Object to form.

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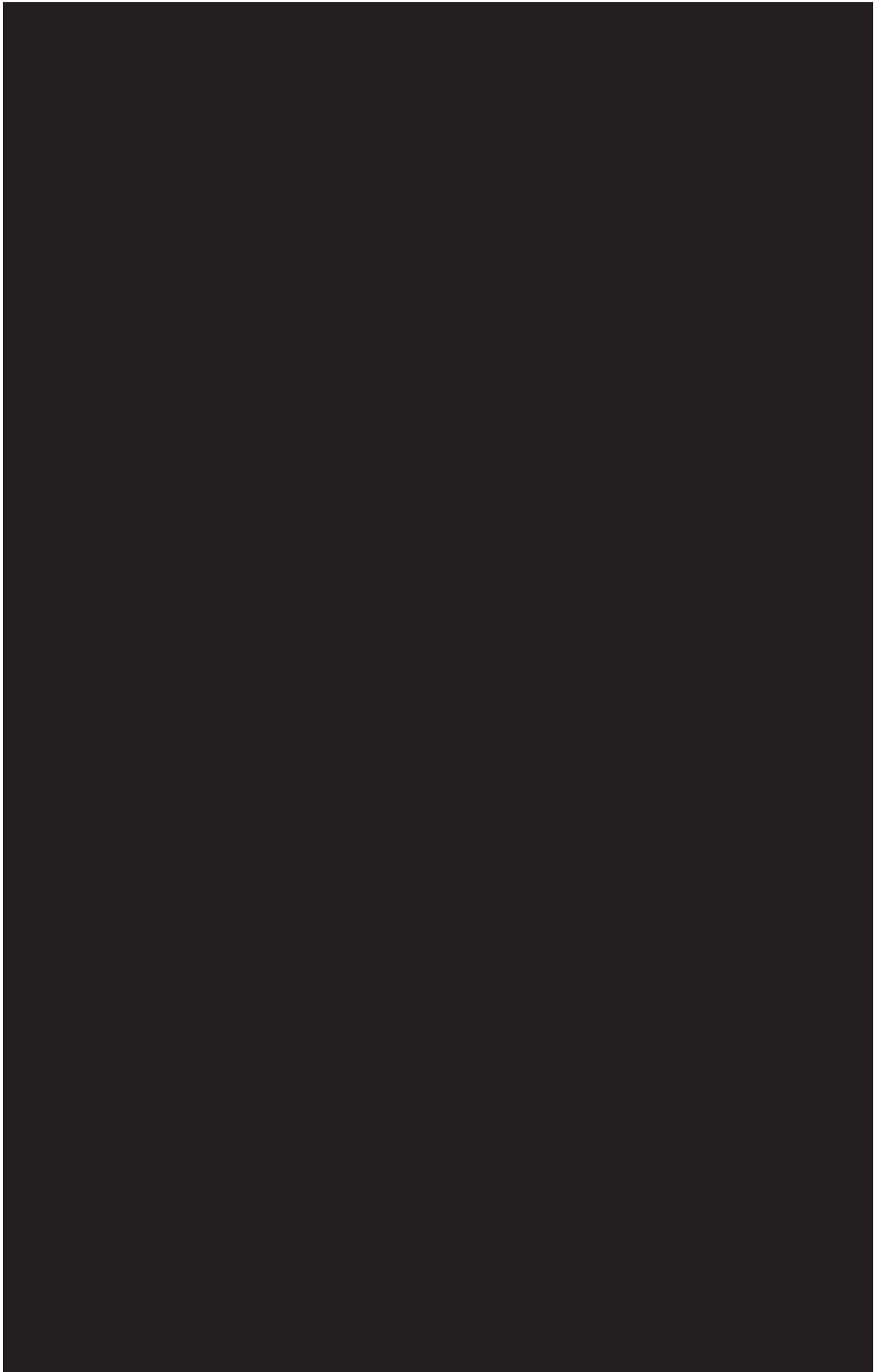
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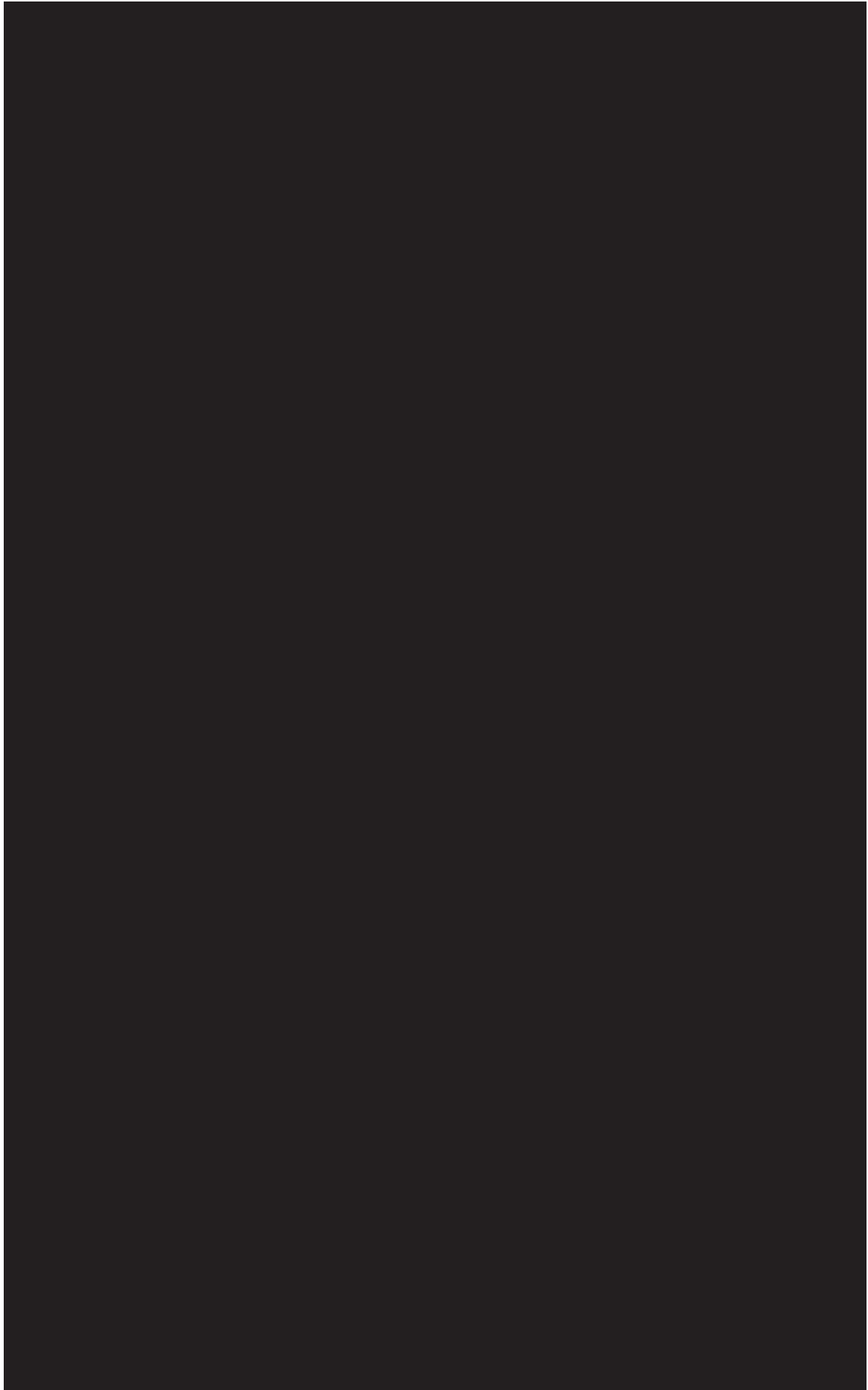
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MS. VANNI: Objection.

1 BY MR. BUCHANAN:

2 Q. That's what sales does.

3 Sales sells, right?

4 MS. VANNI: Objection.

5 BY MR. BUCHANAN:

6 Q. Isn't that what the sales  
7 function is designed to do, sir, to sell?

8 A. Sales has a primary  
9 responsibility to sell product. Sales  
10 has other responsibilities that, you  
11 know, get into the compliance part of the  
12 business.

13 Q. Please cite for me somewhere  
14 sir, in your sales SOPs or in your  
15 guidance where your sales force was  
16 instructed to do the due diligence on  
17 suspicious orders and suspicious  
18 customers.

19 A. I'm not pointing to an SOP.

20 Q. I'm asking you to do so.

21 A. We didn't have -- I'm --

22 I -- I am not able to do that.

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Q. Y'all weren't doing anything?

A. I wouldn't --

MS. VANNI: Object.

BY MR. BUCHANAN:

Q. No due diligence, right?

MS. VANNI: Object to form.

1 THE WITNESS: I wouldn't  
2 characterize it that way.

3 BY MR. BUCHANAN:

4 Q. No, because it's not good.

5 MS. VANNI: Objection.

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24 MR. BUCHANAN: Can I have

1                   581, please.

2       BY MR. BUCHANAN:

3                   Q.       And just to clarify this,  
4       this thing about the sales team.

5                               (Document marked for  
6                   identification as Exhibit  
7                   Endo-Macrides-21.)

8       BY MR. BUCHANAN:

9                   Q.       Passing you what we've  
10       marked as 581 -- excuse me. That's my  
11       internal numbering.

12                          MR. BUCHANAN:   What's the  
13       numbering on it?

14                          MR. BACHMANN:   It is 21.

15       BY MR. BUCHANAN:

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MS. VANNI: Object to form.

THE WITNESS: I don't agree  
with that characterization at all.

BY MR. BUCHANAN:

Q. Okay. We'll look at what  
happened over time throughout the day  
today.

1 "You need to visit your  
2 customers' customers and document your  
3 findings," right?

4 A. That's what it says.

5 Q. Okay. You weren't visiting  
6 your customers' customers prior to this  
7 point in time, right?

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18                   Q.       Mm-hmm.   Okay.   All right.  
19                               So -- I just want to make  
20       sure we're not confused on a point, sir.  
21                   MR. BUCHANAN:   What exhibit  
22       will this be?   23?  
23                               (Document marked for  
24       identification as Exhibit

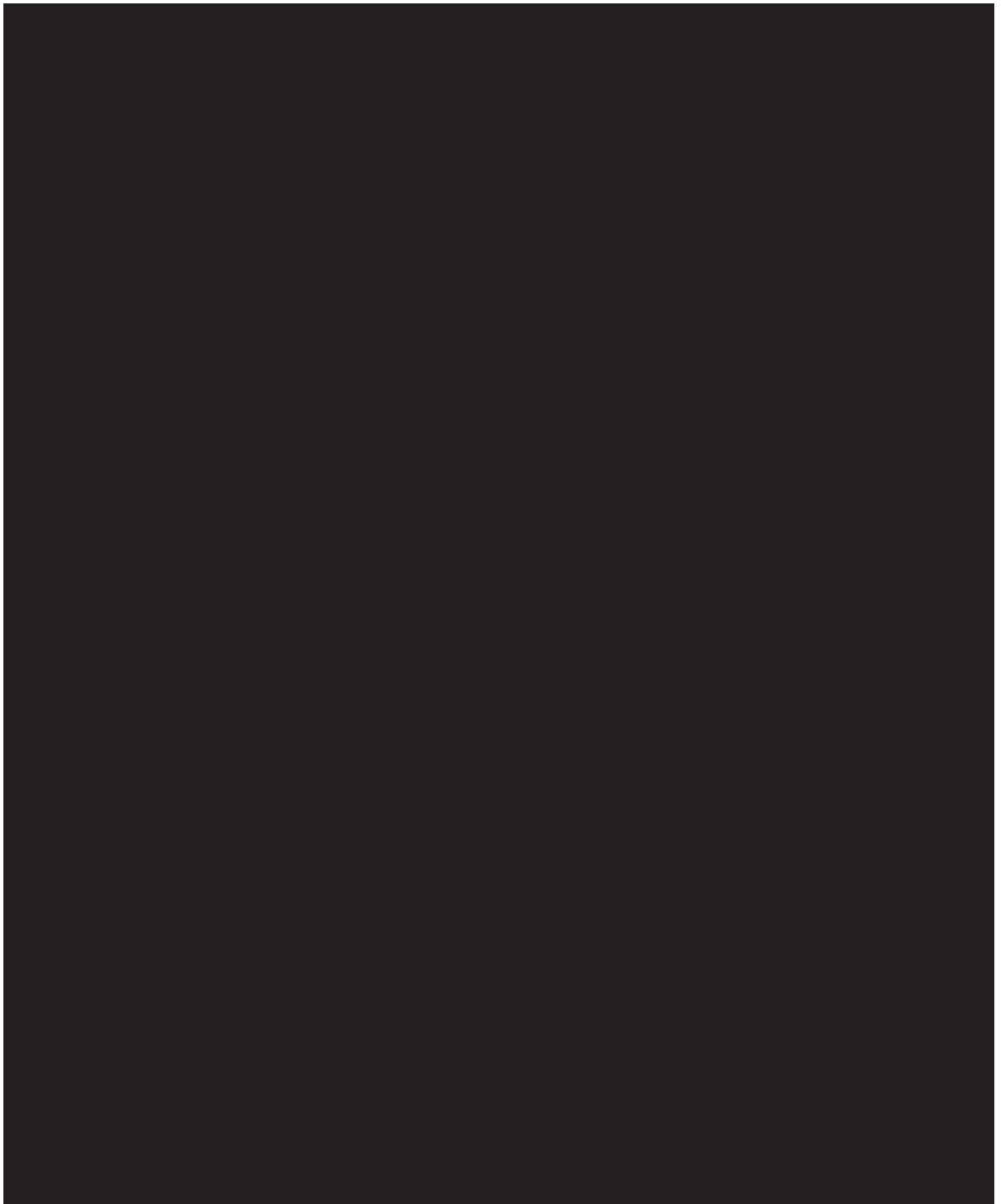
1                   Endo-Macrides-22.)

2       BY MR. BUCHANAN:

3                   Q.       Passing you Exhibit 22 to  
4       your deposition.   It's a series of slide  
5       decks.

6                            Okay.   It's a --

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I'd like to take you to  
589.22, what's referred to as, "The  
Meeting."

6

Do you see that?

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A. I'm getting there.

8

Q. What we were told.

9

A. Okay. I'm there.

10

Q. Okay.

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A. If I could just have a  
minute to look at this.

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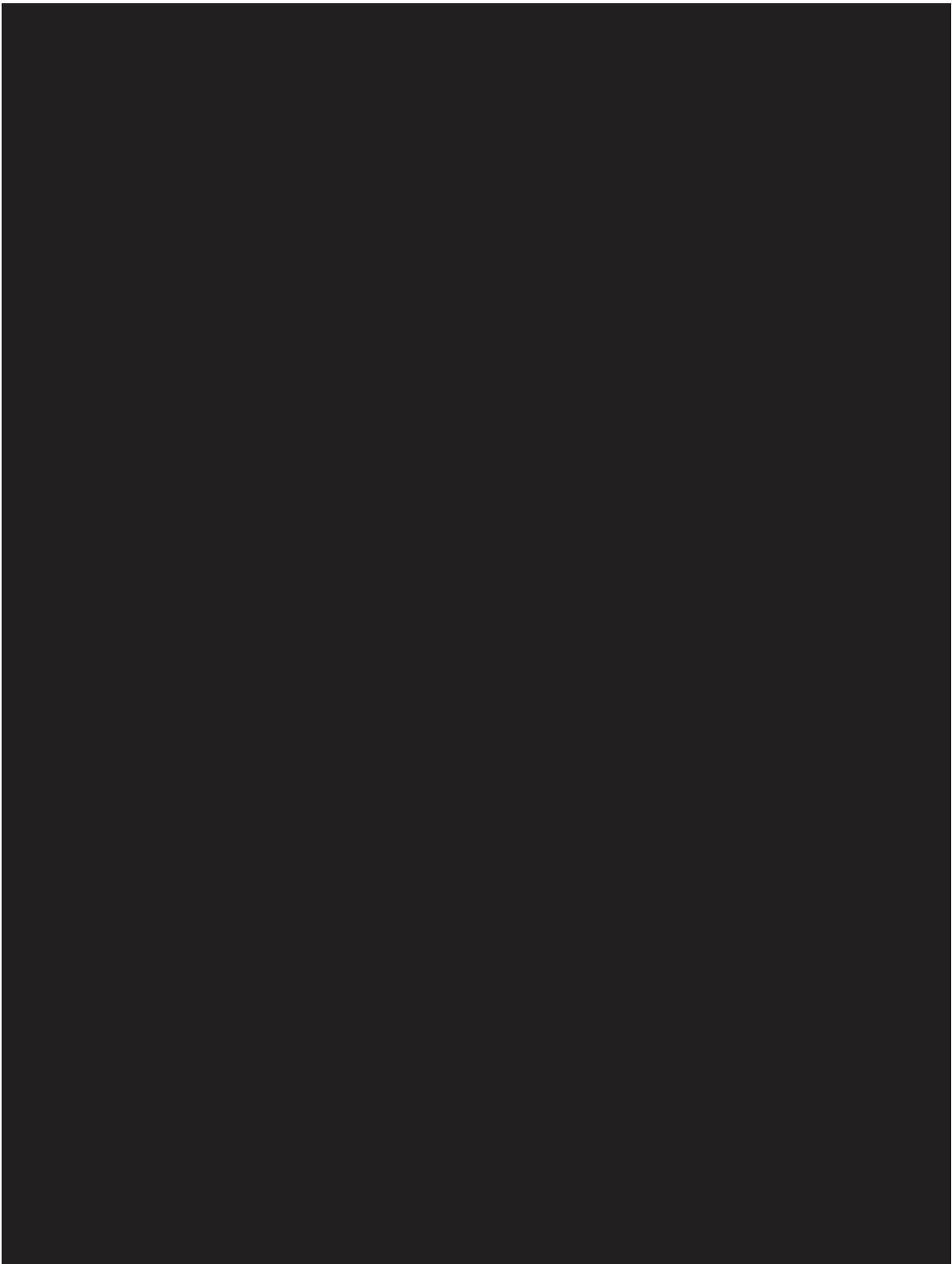
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21 MS. VANNI: Objection.  
22 Asked and answered.  
23 THE WITNESS: As I  
24 testified, I'm not aware of any

1 documents documenting those  
2 visits.

3 BY MR. BUCHANAN:

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MR. BUCHANAN: Okay. And

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just can we pull up, please,

4

Exhibit 6 again.

5

THE WITNESS: Which one was

6

that?

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BY MR. BUCHANAN:

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Q. I put it up on the screen

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for you.

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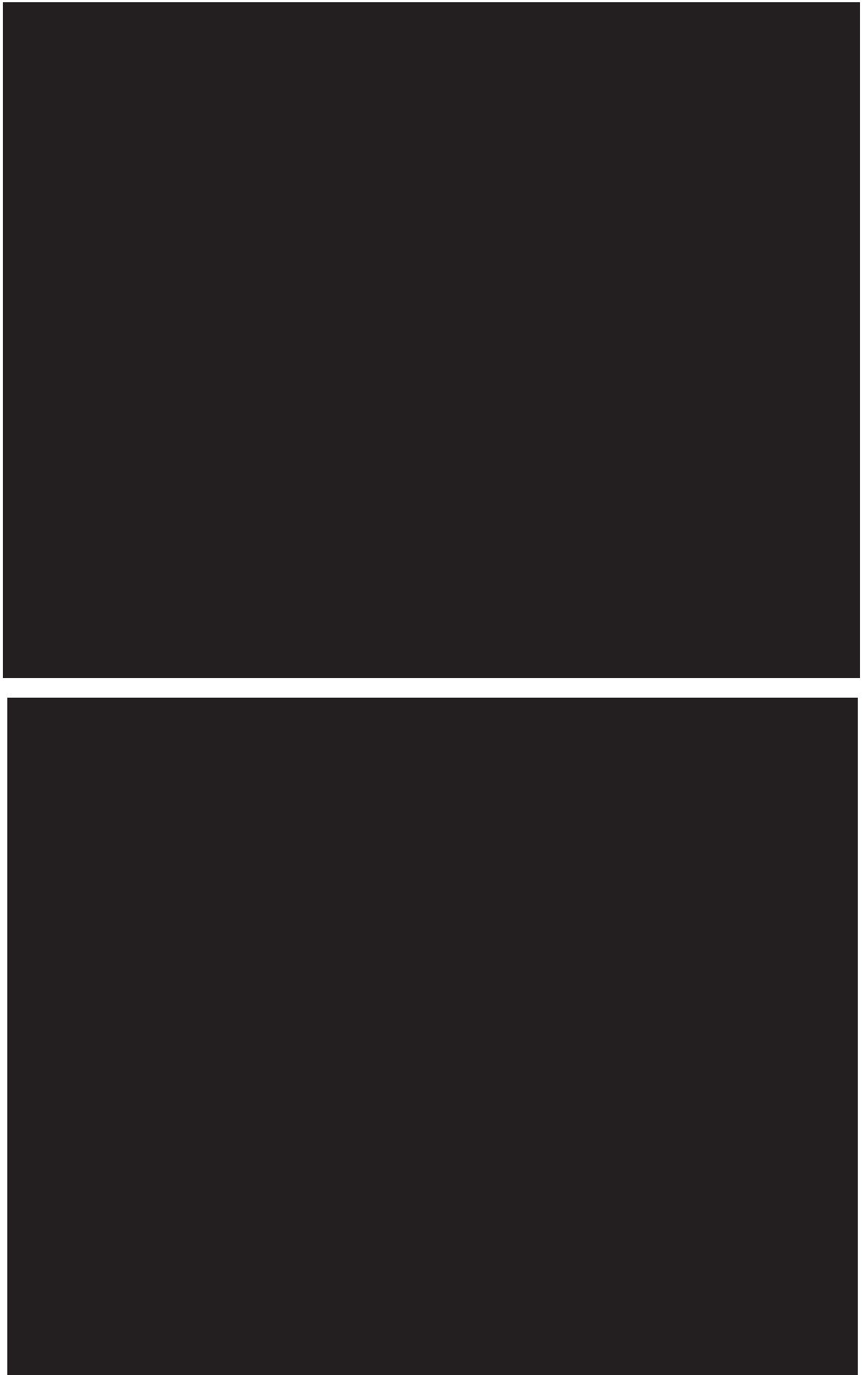
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MR. BUCHANAN: Let's take a  
break.

THE VIDEOGRAPHER: Off the  
record at 3:13 p.m.

(Short break.)

THE VIDEOGRAPHER: We are  
back on the record at 3:32 p.m.

BY MR. BUCHANAN:

Q. Okay. Sir, I'm passing you  
over a stack of exhibits. We'll go  
through them in sequence. There's -- why  
don't we start with what's been marked as  
Exhibit Number 23.

1 (Document marked for  
2 identification as Exhibit  
3 Endo-Macrides-23.)

4 MR. BUCHANAN: Charles,  
5 could you pass a copy for defense  
6 counsel.

7 BY MR. BUCHANAN:

8 Q. For the record, it's  
9 internally labeled as E-1051. If we can  
10 pull up that on the screen. E-1051, sir,  
11 is an e-mail to John Schultz, Mike  
12 Reiney, Charles Propst, others.

13 Do you recognize any of  
14 those names?

15 A. I recognize most of the  
16 names.

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19                   Q.       The SOP, it's referring to  
20       review of -- let's talk about details at  
21       the bottom.

22                               MR. BUCHANAN:   I'm sorry.  
23                   Can you please go to .2.   Thank  
24                   you.

1 BY MR. BUCHANAN:

2 Q. In the middle it says the  
3 issues were noted during the review, and  
4 we talked about 1 and 2.

5 Do you recall that, sir?

6 A. Right.

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MS. VANNI: Object to form.

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BY MR. BUCHANAN:

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Q. In 2008, right?

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23 Again, this document was --

24 BY MR. BUCHANAN:

1 Q. Is that a yes answer to my  
2 question?

3 A. I just answered your  
4 question.

5 Q. I just want to understand.  
6 Were you agreeing with me?

7 MS. VANNI: Object to form.

8 THE WITNESS: I answered  
9 your question.

10 BY MR. BUCHANAN:

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MS. VANNI: Object to form.

THE WITNESS: I recall us  
looking at documents.

BY MR. BUCHANAN:



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23 MS. VANNI: Object to form.

24 BY MR. BUCHANAN:

1 Q. We've talked about that  
2 today.

3 A. I don't know to what degree  
4 our products were being --

5 Q. Not to what --

6 A. -- diverted.

7 Q. -- degree. We know your  
8 products were being diverted. Others  
9 will decide --

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18 MS. VANNI: Object to form.

19 BY MR. BUCHANAN:

20 Q. Right?

21 MS. VANNI: Same objection.

22 BY MR. BUCHANAN:

23 Q. Because if you're trying to  
24 prevent something from happening --

1       withdrawn.

2                       If you're trying to prevent  
3       something from happening and you want to  
4       see how effective you're doing at  
5       preventing something from happening, one  
6       of the things that you want to try and  
7       measure is the extent to which it's  
8       happening, notwithstanding your efforts,  
9       right?

10                   MS. VANNI:   Object to form.

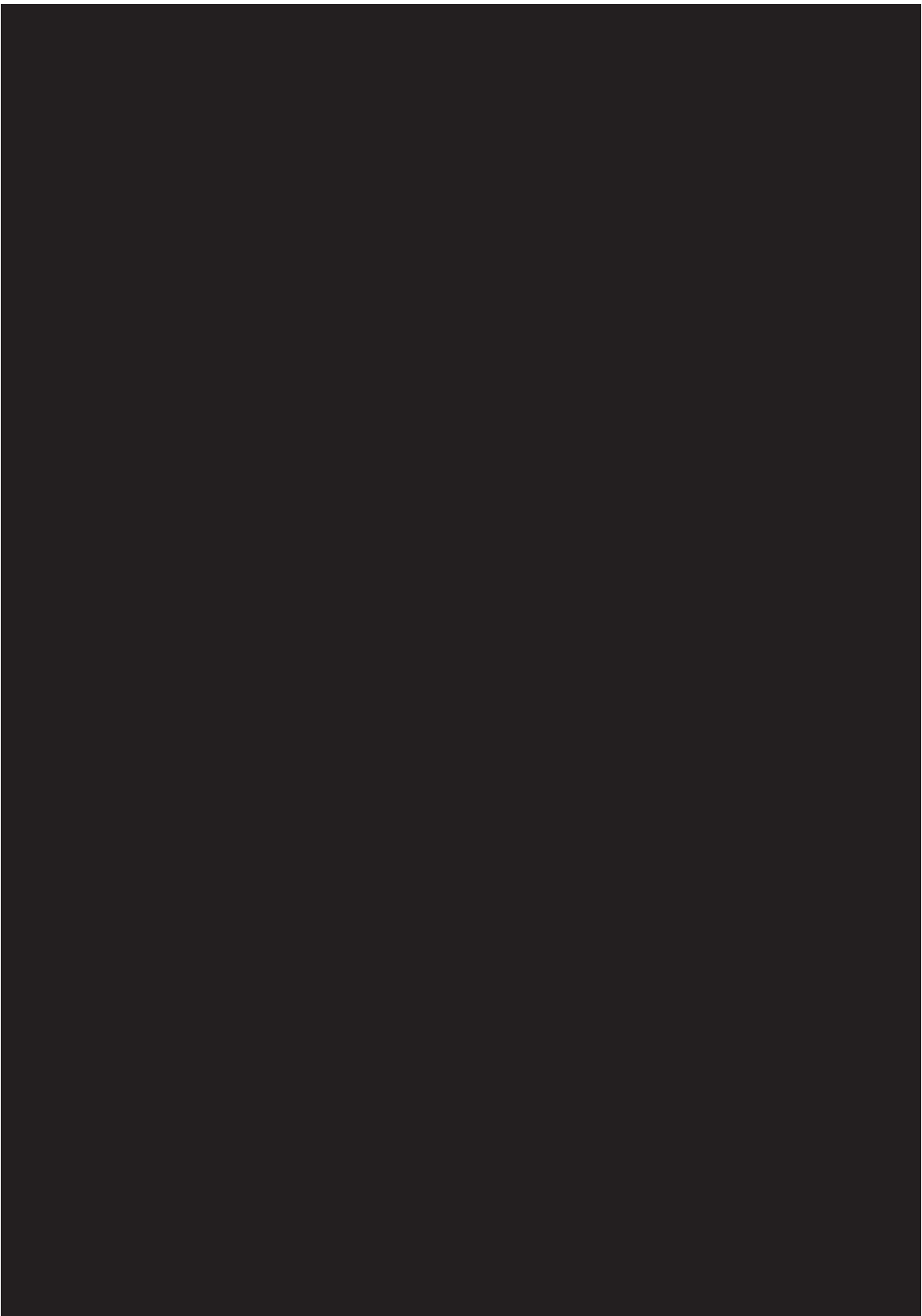
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22 MR. BUCHANAN: Can I have  
23 Exhibit 24, please.

24 BY MR. BUCHANAN:

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13 Q. Okay.

14 A. If I could just review the  
15 document then.

16 Q. That's fine.

17 (Document marked for  
18 identification as Exhibit  
19 Endo-Macrides-24.)

20 BY MR. BUCHANAN:

21 Q. Who -- who is Gary Glotz,  
22 sir?

23 MS. VANNI: Do you want him  
24 to review the document or do you

1 want him to answer your question?

2 MR. BUCHANAN: Well,  
3 let's -- let's identify the people  
4 and then --

5 MS. VANNI: Okay.

6 MR. BUCHANAN: -- the review  
7 is fine.

8 MS. VANNI: For the record,  
9 this is Exhibit 24?

10 MR. BUCHANAN: 24.

11 MS. VANNI: Thank you.

12 BY MR. BUCHANAN:

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MR. BUCHANAN: Can you blow  
up the comment, please.

There you go. Right there.

Thank you.

BY MR. BUCHANAN:

Q. "In the process of reviewing  
our current suspicious order monitoring  
process, but we are well aware that what

1 we have is NOT compliant by today's  
2 standards."

3 Did I read that correctly,  
4 sir?

5 A. That's what this e-mail  
6 says.

7 Q. Okay. And I guess, so the  
8 record is clear, not is in all caps?

9 A. Not is in all caps.

10 Q. Okay. And so this is, again  
11 orienting ourselves, a few months after  
12 the meeting with Mr. Mapes, or the audit  
13 of Mr. Mapes, correct?

14 A. It's after the audit of  
15 Mr. Mapes.

16 Q. Okay. Reporting out and  
17 seeking consultant advice because your  
18 system is not compliant by today's  
19 standards. That's what's written,  
20 correct?

21 A. That's what an IT person  
22 wrote who would not be qualified to  
23 assess the compliance of our suspicious  
24 order monitoring or any other aspect of

1     DEA compliance.

2             Q.     And indeed she looped in the  
3     head of the compliance as part of the  
4     meeting, correct?

5             Mr. John Schultz, I think  
6     you told us, was the head of compliance.

7             Do I have that correctly,  
8     sir?

9             A.     John Schultz, as I  
10    understand it, was DEA compliant.

11            Q.     Let's look at the  
12    PowerPoint --

13            A.     John Schultz didn't write  
14    this e-mail. LeeAnn Smith, the IT  
15    person, wrote this e-mail.

16            Q.     Right. And you don't  
17    think --

18            A.     And she wouldn't be  
19    qualified for evaluating or assessing  
20    whether we were or weren't in  
21    compliance --

22            Q.     I see --

23            A.     -- with suspicious order  
24    monitoring or other aspects of DEA.

1 Q. Were -- were you a part of  
2 the conversations among Ms. Smith and  
3 Mr. Schultz and others in 2008, sir?

4 A. I didn't work for the  
5 company in 2008.

6 Q. Okay. So in terms of your  
7 attempted commentary on how this  
8 originated, you don't have any insight to  
9 bear -- to bring beyond the document  
10 itself, fair?

11 MS. VANNI: Object to form.

12 THE WITNESS: I'm just  
13 telling you that an IT person  
14 isn't qualified to comment on DEA  
15 compliance.

16 BY MR. BUCHANAN:

17 Q. What does she say in terms  
18 of "we are all well aware that what we  
19 have is NOT," in all caps, "compliant by  
20 today's standards."

21 Did I read that correctly,  
22 sir?

23 A. That's what this woman wrote  
24 in this e-mail, who is an IT person who

1 is not qualified to comment on DEA  
2 compliance or suspicious order  
3 monitoring.

4 Q. "We are looking for  
5 assistance," correct?

6 A. She uses the word we.

7 Q. And who is the we that she  
8 includes, sir, in the meeting?

9 Spike Pannell and John  
10 Schultz?

11 A. She is including them in the  
12 meeting.

13 Q. Okay. And John Schultz  
14 would be the head of compliance at that  
15 point in time, correct, sir?

16 A. Right. But John Schultz  
17 isn't making this comment. The IT person  
18 is making this comment.

19 Q. Right. Right. And we have  
20 your testimony as to who the we are, sir.

21 Let's go to the PowerPoint.

22 Can we go to .5. Suspicious order  
23 monitoring.

24 Mr. Hamby, Gary Glotz making

1 the presentation.

2 .7. "Companies are not  
3 meeting the regulatory requirements."

4 Did I read that correctly?

5 A. That's what the consultant  
6 says in his presentation.

7 Q. "Inconsistent implementation  
8 and lack of understanding of regulatory  
9 requirements."

10 Did I read that correctly?

11 A. That's what it says.

12 Q. Next page, .8, middle  
13 bullet. "SOM, as well as appropriate due  
14 diligence and 'know your customer'  
15 efforts are key" --

16 A. I'm sorry, wait. I'm on the  
17 wrong page.

18 Q. .8?

19 A. Just give me a minute.

20 Okay. I'm there.

21 Q. "SOM, as well as appropriate  
22 due diligence and 'know your customer'  
23 efforts are key to DEA's efforts to curb  
24 diversion of controlled drugs and listed

1 chemicals."

2 Did I read that correctly?

3 A. You read it correctly.

4 Q. And certainly the company  
5 had that understanding as of 2008,  
6 correct?

7 A. The company had that  
8 understanding.

9 Q. Okay. There's a listing on  
10 the next page of SOM requirements.

11 Do you see that, sir?

12 MS. VANNI: Take your time  
13 and review it.

14 THE WITNESS: This is the  
15 same quote from the C.F.R. that we  
16 reviewed earlier.

17 BY MR. BUCHANAN:

18 Q. Right. And it says,  
19 "Further iterated in September of '06,  
20 February of '07 and December of 2007 DEA  
21 letters," correct?

22 A. That's what it says.

23 Q. You've seen those letters,  
24 sir?

1           A.       I've seen some of these  
2       letters. I'm sure I reviewed them as  
3       part of my preparation.

4           Q.       And those letters say that  
5       rigid formulas are insufficient as part  
6       of a SOMs program, correct, sir?

7           A.       DEA is using these letters  
8       to provide guidance around the evolving  
9       landscape around SOMs --

10          Q.       I'm not asking --

11          A.       -- to encourage companies to  
12       improve their programs.

13          Q.       Sir --

14          A.       That's the purpose of these  
15       letters and these guidelines.

16          Q.       I'm not asking you for the  
17       purpose, sir. I'm asking you what it  
18       communicated.

19          A.       It communicated guidelines  
20       on how to improve your SOMs programs.

21          Q.       And the guidelines stated  
22       that rigid formulas were inadequate as a  
23       basis for identifying suspicious or  
24       non-suspicious, correct?

1 MS. VANNI: Objection. Are  
2 you characterizing the letters  
3 from DEA for him?

4 MR. BUCHANAN: I'm asking  
5 him.

6 BY MR. BUCHANAN:

7 Q. Do you agree, sir? And we  
8 can pull out the letters if you think  
9 necessary.

10 A. Let's look at one of the  
11 letters.

12 Q. Okay. We'll come back to  
13 it.

14 Do you have a recollection,  
15 sir, as to whether the DEA was advising  
16 registrants that rigid formulas were  
17 inadequate to identify suspicious orders?

18 MS. VANNI: Objection.

19 BY MR. BUCHANAN:

20 Q. Do you have that  
21 recollection? Yes or no.

22 MS. VANNI: Objection.

23 Go ahead. You can answer.

24 THE WITNESS: The DEA was

1 providing guidance around a number  
2 of areas related to suspicious  
3 order monitoring, including  
4 algorithms and how orders should  
5 be looked at. I have that  
6 understanding.

7 BY MR. BUCHANAN:

8 Q. You have the understanding  
9 that rigid formulas, the DEA says are  
10 inadequate, correct?

11 MS. VANNI: Object to form.

12 THE WITNESS: I don't  
13 remember seeing that specific  
14 language. But if we look at a  
15 letter that would refresh my  
16 memory, then we can do that.

17 BY MR. BUCHANAN:

18 Q. Let's go to the last bullet.  
19 "In addition, DEA's chemical  
20 handler's" -- "In addition, DEA's  
21 chemical handler's manual devote several  
22 pages to know your customer in proof of  
23 identity due diligence issues."

24 Do you see that, sir?

1 A. I see that.

2 Q. Next page. "Arbitrarily set  
3 values do not satisfy the regs in terms  
4 of SOMs."

5 Do you see that, sir?

6 A. I see that.

7 Q. You got to review things by  
8 category of accounts, classes of trades,  
9 right?

10 A. That's what the consultant  
11 is communicating.

12 Q. What are they referencing  
13 there?

14 A. They're referencing the  
15 December 2007 DEA letter.

16 Q. Okay. They identify on .11,  
17 "Overall objective, a total SOM program  
18 that meet DEA requirements."

19 First bullet, what does it  
20 say?

21 A. "Develop a total SOM  
22 solution to review each of your  
23 customer's orders product by product  
24 comparing orders with historical ordering

1 patterns for that customer and product."

2 Q. I'm sorry, sir. I was  
3 identifying --

4 A. You asked me to read the  
5 first.

6 Q. -- the first bullet at the  
7 bottom of the page. "Overall objective,  
8 a total SOM program that meets DEA  
9 requirements.

10 "1. Statistically viable  
11 system, justifiable and defensible."

12 Right?

13 A. That's what they say here.

14 Q. Do you remember seeing that  
15 in a letter two years later that went to  
16 Par Pharmaceuticals?

17 MS. VANNI: Object to form.

18 BY MR. BUCHANAN:

19 Q. From 2010, from that  
20 consultant presentation?

21 A. I remember looking at that  
22 earlier.

23 Q. Okay. "Statistics,  
24 methodologies and indexes are confirmed

1       and validated."

2                       Do you recall that, sir?

3               A.       I understand that DEA was  
4       making suggestions to move -- to  
5       statistical algorithms. I do.

6               Q.       Right. And this is 2008,  
7       correct?

8               A.       This is 2008.

9               Q.       And the company, in terms of  
10       implementing such an algorithm, first did  
11       so in late 2013, early 2014, correct,  
12       sir?

13              A.       The company continued to  
14       evolve its programs to review potentially  
15       suspicious orders --

16              Q.       Please tell the jury --

17              A.       -- in that time frame.

18              Q.       Please tell the jury when  
19       the company first implemented a  
20       statistically validated algorithm.

21              A.       In 2013 we engaged with  
22       Cegedim to do that.

23              Q.       Okay. So the very  
24       consultant who told you in 2005 this is

1     what -- excuse me, in 2008, that this is  
2     what was required, right?

3             A.     All companies were reviewing  
4     the guidance by DEA to move in the  
5     direction of statistical models --

6             Q.     You still have to answer my  
7     question.

8             A.     -- to adapt their programs.

9             MS. VANNI:   Objection to  
10     form.

11     BY MR. BUCHANAN:

12             Q.     You still have to answer my  
13     question.   So my --

14             A.     Can you ask it again,  
15     please.

16             Q.     Yeah.   My question to you,  
17     sir, after you said, "In 2013, we engaged  
18     with Cegedim to do that," I said, "So the  
19     very consultant who told you in 2008 that  
20     this is what was required was the  
21     consultant you used in 2013 to implement  
22     the statistically validated algorithm for  
23     Qualitest, correct?"

24             A.     We worked with them in 2013

1 to enhance the program and build us a,  
2 you know, more advanced algorithm.

3 Q. Right. In fact you did that  
4 after you sat down with the DEA in March  
5 of 2013, correct?

6 A. I think I testified earlier  
7 that we had identified areas to improve  
8 our program throughout that period but as  
9 early as 2011 when we had engaged Tracey  
10 Hernandez to lead our DEA compliance.

11 Q. When did management first  
12 approve and fund a statistically  
13 validated algorithm to detect potentially  
14 suspicious orders, sir?

15 MS. VANNI: Objection.

16 BY MR. BUCHANAN:

17 Q. Before or after the  
18 March 2013 meeting with the DEA?

19 A. In 2013 we engaged with  
20 Cegedim to develop the algorithm.

21 Q. After you met with the DEA,  
22 correct?

23 A. Subsequent to March of 2013.

24 Q. Which means after, right?

1           A.       It was implemented after the  
2 meeting.

3           Q.       And you engaged them after  
4 the meeting to implement a statistically  
5 validated algorithm, correct sir?

6           A.       To do the specific work  
7 around implementing the algorithm.

8           Q.       All right. So let's go to  
9 .12. We talk about a statistically  
10 defensible system that consultants have  
11 been recommending since 2008 to the  
12 company.

13                   It says, "Rather than  
14 looking just at purchasing volume, it  
15 evaluates a variety of order  
16 characteristics, such as order size,  
17 history, trends, frequency, et cetera."

18                   Did I read that correctly?

19           A.       You read that correctly.

20           Q.       Okay. And those are the  
21 characteristics of the system the company  
22 ultimately implemented after the DEA sat  
23 down with it and said it had six months  
24 to get its stuff together, right?

1 MS. VANNI: Object to form.

2 THE WITNESS: What they are  
3 saying is that these things should  
4 be part of a -- what they are  
5 saying with this bullet is that  
6 these things should be part of the  
7 review of the orders.

8 In fact, you would have  
9 his -- you would have history on  
10 orders that you could look at  
11 without even developing an  
12 algorithm.

13 BY MR. BUCHANAN:

14 Q. Sir, these are the order  
15 characteristics, order size, history,  
16 trends, frequency, et cetera, that are  
17 implemented in the statistically  
18 validated algorithm the company adopted  
19 through Cegedim, this very vendor, five  
20 years later after the DEA sat down with  
21 it in March of 2013, correct?

22 MS. VANNI: Objection.

23 THE WITNESS: These  
24 parameters would be part of a

1                   statistical model.

2       BY MR. BUCHANAN:

3                   Q.       Thank you. Let's go to .14.

4                             The consultant you reached  
5       out to in 2008 told you that you had to  
6       investigate your accounts, right?

7                   A.       Are you reading the first  
8       bullet here, "SOPs on rules around  
9       account investigation and order release"?

10                  Q.       Well, let's just read it,  
11       sir. Says, "Account investigation and  
12       disposition:

13                             "Establish an  
14       appropriate" -- "establish appropriate  
15       practices for investigation of  
16       potentially suspicious" -- "suspicious  
17       accounts."

18                             Is that one of the items  
19       that was identified for the company?

20                  A.       That's in the report, yes.

21                  Q.       Okay. "SOPs on rules around  
22       account investigation and order release,"  
23       correct?

24                             That's what it states?

1 A. That's what it says.

2 Q. Customer self-assessment  
3 questionnaires, correct?

4 A. That's what it says.

5 Q. "On-site account  
6 verification visits."

7 Did I read that correctly?

8 A. That's what it says.

9 Q. Okay. You can set that one  
10 aside, sir. Moving forward, from 2008.

11 Let's go to 2009.

12 (Document marked for  
13 identification as Exhibit  
14 Endo-Macrides-25.)

15 BY MR. BUCHANAN:

16 Q. In 2009, sir, we're now  
17 looking at Exhibit 25, Mr. Mapes, your  
18 consultant, is back in the mix, right?

19 A. Mr. Mapes. Yes, I see that.

20 Q. Okay. Mike Mapes sends an  
21 e-mail to John Schultz. The same John  
22 Schultz we were just talking about, head  
23 of compliance, right?

24 A. Correct.

1           Q.       Okay. And we're looking at  
2       E-1037, please. It's from July 2009. If  
3       we go to .2, it says, "Review of order  
4       monitoring program, Qualitest  
5       Pharmaceuticals."

6                     It says -- let's go forward  
7       now to .4, which reports on suspicious  
8       order reporting to DEA.

9           A.       .4?

10          Q.       .4. It's the top right  
11       corner.

12          A.       Can you just give me a  
13       minute to look at this?

14          Q.       Sure. I've got it on your  
15       screen there if that helps.

16                     Last paragraph says, "The  
17       review of order release requests showed  
18       that many requests were made for  
19       quantities of drugs that were several  
20       times greater than the current limit set  
21       in the order monitoring system."

22                     Let's pause on that.

23                     So your consultant comes in  
24       and is looking at certain order release

1 requests.

2 Do you see that?

3 A. I see that.

4 Q. So you talked about a system  
5 that would identify potentially  
6 suspicious orders, right, do you recall  
7 that?

8 A. I do.

9 Q. And at this point in time,  
10 the company was using, not a  
11 statistically validated model, but a  
12 different one, pursuant to its SOPs,  
13 right?

14 A. I'm sorry, repeat that  
15 please.

16 Q. At this point in time, the  
17 company was not using the Cegedim  
18 statistically validated model, correct?

19 A. Correct.

20 Q. Okay. This is 2009. And it  
21 says, "In most of those instances,"  
22 meaning those where the requests -- where  
23 there were orders that were pended and  
24 then released, "the size of the order was

1 cut down and the order was approved to be  
2 released with some increase to the limit  
3 in the order monitoring system."

4 Did I read that correctly?

5 A. Yes, that's what it says.

6 Q. Okay. So what's happening  
7 here, sir, is that orders are tripping  
8 the wire under whatever method the  
9 company was using under its SOPs at that  
10 point in time. And the sales team that's  
11 reviewing the orders is reducing the  
12 order to get close to thresholds, raising  
13 the threshold a little bit, and then  
14 authorizing the order to be shipped.

15 That's what the company is  
16 being told by its consultants, right?

17 MS. VANNI: Object to form.

18 THE WITNESS: The  
19 consultants are -- I'm -- I'm  
20 trying to read the document while  
21 you are talking. I'm sorry. I'm  
22 just trying to familiarize myself  
23 with this last paragraph.

24 Just ask me the question

1                   again, please.

2       BY MR. BUCHANAN:

3                   Q.       Okay. My question, sir, was  
4       that, what's happening here is orders are  
5       tripping the wire, meaning there's an  
6       algorithm --

7                   A.       Orders are being identified  
8       that are of interest.

9                   Q.       Of interest. "The order  
10       size is several times higher than the  
11       threshold."

12                               That's what's reported in  
13       the analysis from your consultants,  
14       correct?

15                  A.       That's correct.

16                  Q.       And what's happening is the  
17       folks who were reviewing these, which  
18       would have been the sales folks at that  
19       time, right?

20                               That's a yes answer?

21                  A.       It would have been the sales  
22       folks.

23                  Q.       Okay. So the sales folks,  
24       what they are doing is, they are either

1 cutting them down in size or increasing  
2 the order threshold, right?

3 MS. VANNI: Object to form.

4 THE WITNESS: They are,  
5 where there -- where there could  
6 be valid reasons to do either one  
7 of those things.

8 BY MR. BUCHANAN:

9 Q. Right.

10 A. Upon investigation.

11 Q. And then what the consultant  
12 is stating here is that -- and the  
13 consultant is noting this as a concern,  
14 right?

15 MS. VANNI: Object to form.

16 THE WITNESS: The consultant  
17 is suggesting that those orders,  
18 because they've been modified,  
19 should be reported to the DEA.

20 BY MR. BUCHANAN:

21 Q. Right. You can't cut and  
22 ship -- when I say cut and ship, I mean  
23 reduce the size of the order and ship  
24 without telling the DEA, right?

1           A.       Consultant is saying that  
2       these orders should be sent to DEA as a  
3       suspicious order.

4           Q.       Okay. And we can agree --

5           A.       He is indicating that this  
6       would document to DEA that Qualitest is  
7       monitoring orders.

8           Q.       "Each order release request  
9       that is rejected or modified by Qualitest  
10      should be sent to DEA as a suspicious  
11      order."

12                   Is that what you were told  
13      in 2009, sir?

14          A.       That's what he's saying in  
15      this document.

16          Q.       And, sir, sitting here  
17      today, as part of your preparation as the  
18      corporate representative for Qualitest,  
19      you were not aware of any suspicious  
20      orders that were reported for Qualitest  
21      in 2009 or 2008, or frankly anytime prior  
22      to that meeting with the DEA, right?

23                   MS. VANNI: Object to form.

24                   THE WITNESS: I said -- I

1           stated earlier that I wasn't aware  
2           of a suspicious order that had  
3           been submitted to the DEA.

4       BY MR. BUCHANAN:

5           Q.     Okay. And your consultants  
6           actually looked at specific requests --  
7           excuse me, specific orders that were cut,  
8           reduced, and shipped and not reported to  
9           the DEA, correct?

10          A.     The orders were adjusted,  
11          and according to the consultant, not  
12          reported to the DEA.

13          Q.     Not before he came in mid  
14          2009, right?

15                   MS. VANNI: Object to form.

16                   THE WITNESS: Not before  
17          he --

18       BY MR. BUCHANAN:

19          Q.     Not before or after this  
20          audit, right?

21          A.     I'm not sure what you mean.

22          Q.     I'm saying there are orders  
23          that are identified by the consultant as  
24          cut and shipped, right?

1           A.       Yes, and he's suggesting  
2       that those orders should have been  
3       reported to the DEA. And he's saying  
4       sending orders to the DEA will document  
5       to DEA that Qualitest is monitoring the  
6       orders on a continuing basis and is  
7       monitoring controlled substance orders in  
8       a reasonable manner.

9           Q.       Right --

10          A.       This is his suggestion.  
11       He's not suggesting that these orders are  
12       suspicious. He's suggesting that  
13       Qualitest should report them.

14          Q.       He's saying, sir, each order  
15       that is released that is rejected or  
16       modified by QT should be sent to DEA as a  
17       suspicious order.

18                   Did I read that correctly,  
19       sir?

20                   MS. VANNI: Object to form.

21                   Asked and answered.

22       BY MR. BUCHANAN:

23          Q.       Did I read that correctly?

24          A.       You read that correctly.

1 Q. Thank you.

2 Let's look at -- I mean, in  
3 fact --

4 A. But he's saying sending  
5 these orders to DEA --

6 Q. No question pending, sir.

7 MR. BUCHANAN: Can I have  
8 589 for counsel. Oh Exhibit 22.

9 THE WITNESS: 22. Oh.

10 MR. BUCHANAN: Can we pull  
11 up 589, please.

12 BY MR. BUCHANAN:

13 Q. I'd like to direct your  
14 attention, sir, to .24 is the page  
15 number, we looked at this a little  
16 earlier today. And this is a

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A. I don't have any information on that.

11

Q. Okay. Let's go forward to Exhibit 26. You can set that one aside now, sir.

14

(Document marked for identification as Exhibit Endo-Macrides-26.)

17

BY MR. BUCHANAN:

18

Q. Okay. We're now moving forward. We're up to 2011. This is an exchange among Ms. Hudson, Ms. Hernandez and others.

22

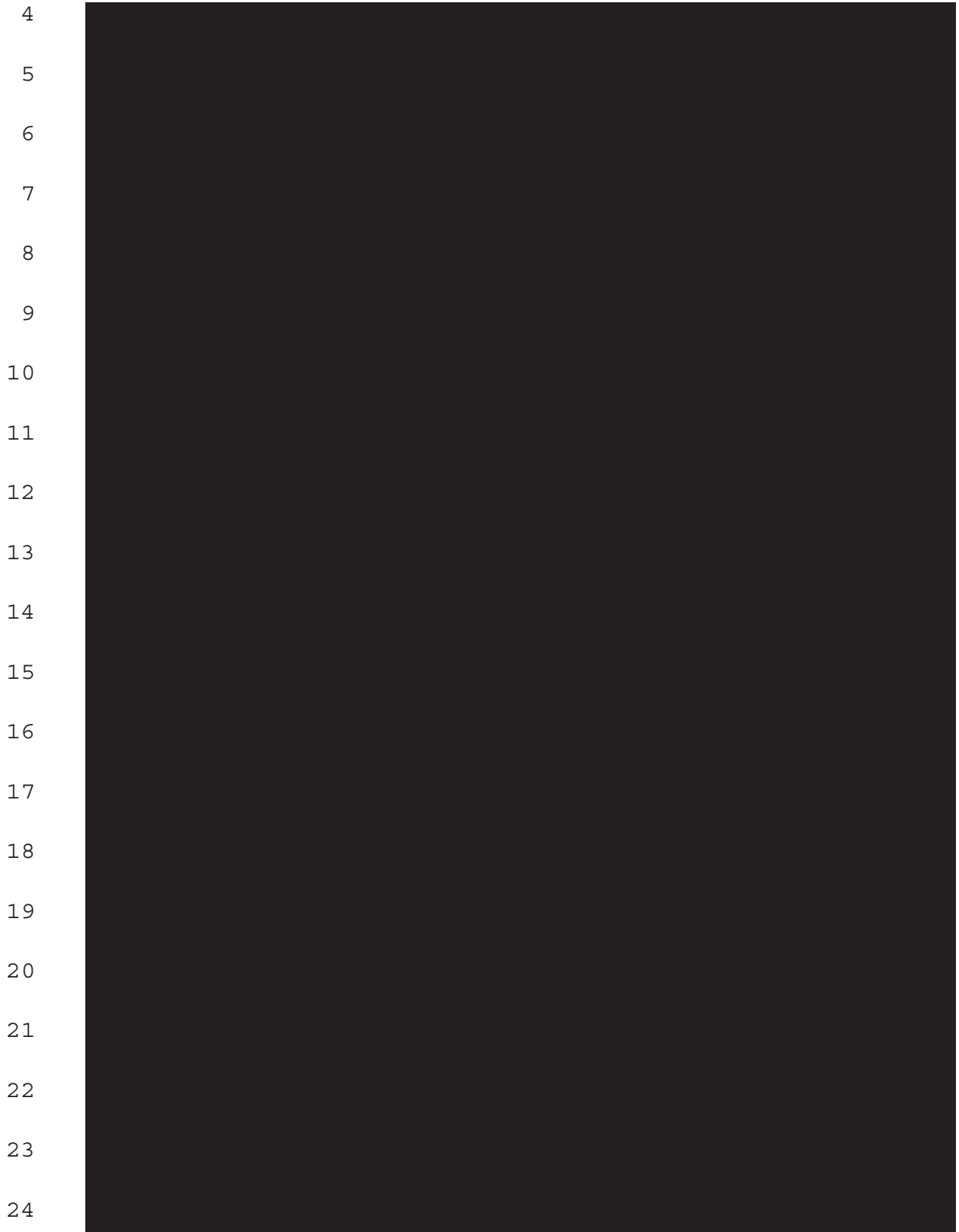
At this point in time, on the first page, 567.1 we see the e-mail from her to several, from November 16,

24

1       2011.

2                               Do you see that?

3                   A.       I see that.



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Q. Okay.

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MR. BUCHANAN: Next

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document. We're going to -- we're

17

going to 573 which is Exhibit 28.

18

(Document marked for

19

identification as Exhibit

20

Endo-Macrides-28.)

21

BY MR. BUCHANAN:

22

Q. I'm passing you another

23

little stack, sir.

24

Okay. This is an e-mail

1 exchange, let's see. It's in early 2013,  
2 but it's forwarding a September 2012  
3 spreadsheet. Integrated compliance risk  
4 assessment. Do you see that, sir?

5 The -- the e-mail at the  
6 bottom of the page from Ms. Hudson to  
7 others is discussing a composite risk  
8 assessment based on discussions.

9 Do you see that?

10 A. I see that.

11 Q. Okay. And that's from, I  
12 guess what, September of 2012?

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MS. VANNI: Object to form.

BY MR. BUCHANAN:

Q. That's my question.

A. This is -- let me look at  
the date. March 22nd -- I'm sorry.

Q. Remember there's the  
e-mail --

A. September 3, 2012.

Q. Thank you, sir.

1                   We can go to the next  
2   document now, sir.

3                   (Document marked for  
4                   identification as Exhibit  
5                   Endo-Macrides-29.)

6   BY MR. BUCHANAN:

7                   Q.     It's Exhibit 29.

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MS. VANNI: I object that  
you didn't read the complete  
sentence there.

7

MR. BUCHANAN: I'm fine with  
that.

9

I don't know where it is.  
Is it on the screen still? I  
think I did read the complete  
sentence.

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MS. VANNI: No.

14

MR. BUCHANAN: All right.  
The question is lost to me at this  
point, but...

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16

17

THE REPORTER: Do you want  
me to read back?

18

19

MR. BUCHANAN: Okay.

20

THE REPORTER: Want me to  
read it back?

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MR. BUCHANAN: I'll read  
the -- the full sentence.

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BY MR. BUCHANAN:

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MS. VANNI: Object to form.

7

BY MR. BUCHANAN:

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Q. Do you remember that?

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A. I'm not sure what heads-up  
10 you're referring to. Is there a document  
11 that you're referring to?

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16 I'm sorry, it was confusing. We are in  
17 Exhibit 31.

18 A. Oh, I'm sorry.

19 (Document marked for  
20 identification as Exhibit  
21 Endo-Macrides-31.)

22 MS. VANNI: I don't have  
23 that exhibit.

24 THE WITNESS: I don't have

1                   that exhibit. I'm on Exhibit 30.

2                   MS. VANNI: I don't have --

3 BY MR. BUCHANAN:

4                   Q. Let's move to Exhibit 31,  
5 get everybody caught up.

6                   MS. VANNI: This is 31?

7                   MR. BUCHANAN: Mm-hmm.

8                   MS. VANNI: Thank you.

9                   THE WITNESS: Okay. So this  
10 is --

11 BY MR. BUCHANAN:

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Q. Okay.

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(Document marked for

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identification as Exhibit

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Endo-Macrides-32.)

7

BY MR. BUCHANAN:

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Q. Let's go to Exhibit 32.

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10 BY MR. BUCHANAN:

11 Q. And with respect, sir, you  
12 had no role or responsibility for any  
13 aspect of this in 2013?

14 A. I already testified to that.

15 Q. The answer to that is,  
16 "You're right, Mr. Buchanan, I didn't."

17 A. I didn't have direct --

18 MS. VANNI: Object to form.  
19 Argumentive.

20 BY MR. BUCHANAN:

21 Q. Right?

22

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MR. BUCHANAN: Okay. Do you  
want to take a short break?

7

MS. VANNI: Yeah.

8

9

THE VIDEOGRAPHER: Off the  
record at 4:41 p.m.

10

(Short break.)

11

12

THE VIDEOGRAPHER: We are  
back on the record at 5:14 p.m.

13

BY MR. BUCHANAN:

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19

Q. Okay. Sir, we're going to  
shift gears a little bit. We spent some  
time, and we're still talking about  
Qualitest at this point. We've been  
doing that for the last several minutes  
certainly.

20

21

22

23

24

We talked about the meeting  
that the DEA had with the Qualitest folks  
in March of 2013. Then we talked about  
some of the statements and  
recommendations, requests made of

1     Qualitest with regard to its SOMs program  
2     at that point in time.

3                     And then we looked to orient  
4     you again about kind of the statements  
5     that have been made and the information  
6     the company received from consultants and  
7     its internal folks about the limitations  
8     or inadequacies of the program or other  
9     facts about the program over time.

10                    Do you recall our  
11     discussions about those items?

12                    A.     I recall the discussions  
13     we've had.

14                    Q.     Okay. Now I want to zoom  
15     forward a little bit, because what ended  
16     up happening, sir, is that after the --

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BY MR. BUCHANAN:

Q. Okay. Well, I mean,  
let's -- you don't have to characterize  
it, sir. We've got the memo that went to  
the board of directors.

It's not in your stack right  
now. I didn't intend to mark this, but  
we will.

MR. BUCHANAN: It's E-391.  
I'll get it up on the screen while  
we're getting ready to mark it.  
And this is going to be -- our  
next in order is what, Charles?

(Document marked for  
identification as Exhibit  
Endo-Macrides-42.)

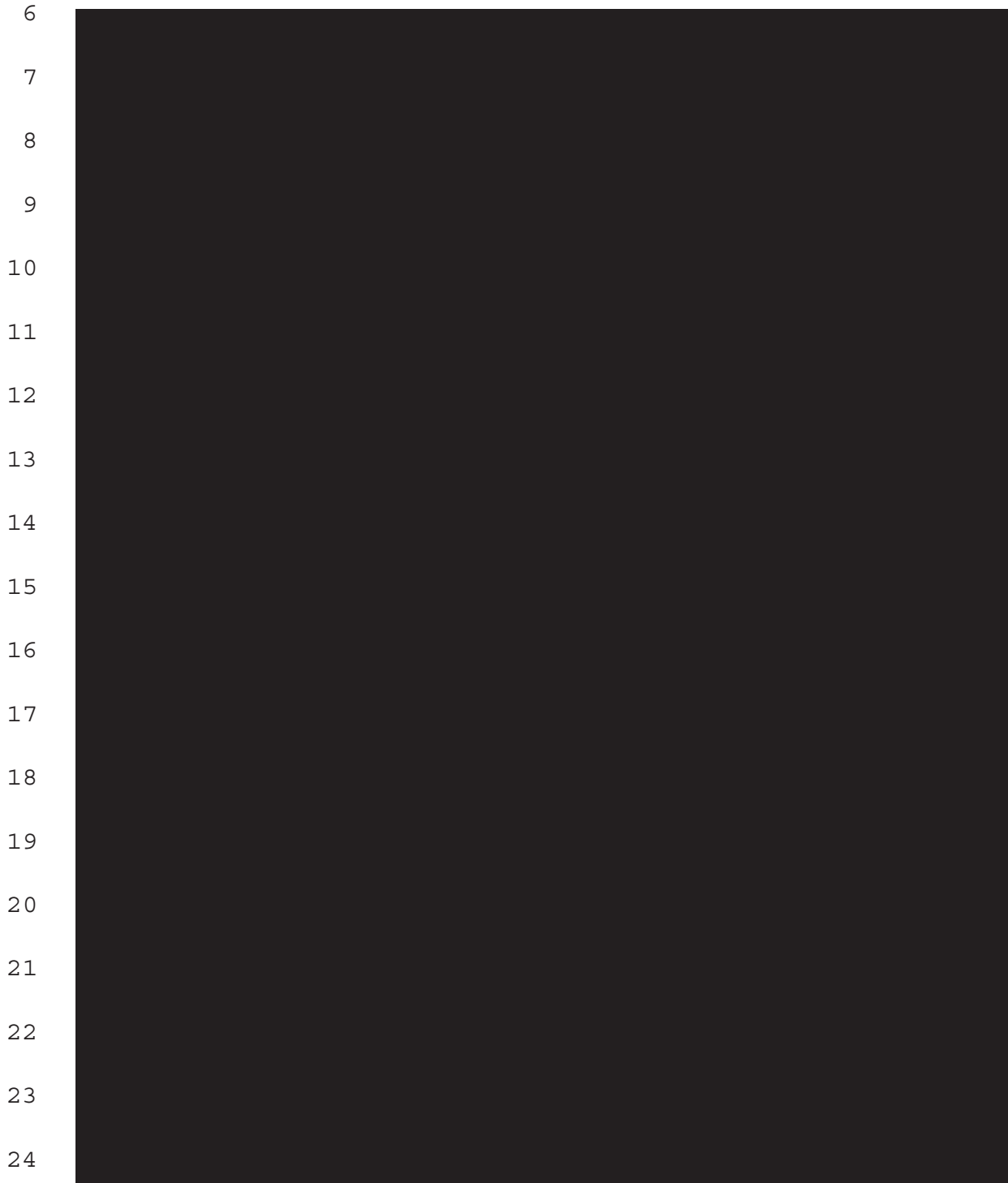
MR. BUCHANAN: 42.

1 BY MR. BUCHANAN:

2 Q. Exhibit 42 is a memo to the  
3 board of directors, right?

4 MS. VANNI: Thank you.

5 BY MR. BUCHANAN:



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Do you see that, sir?

16

A. Yeah.

17

Q. Did I read that correctly?

18

I'm not asking for comments. Do you see

19

that, sir?

20

A. Yeah, I see it.

21

Q. Okay. Let's focus on,

22

"Background and current state, Qualitest

23

business unit."

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Do you see that section?

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A. I see that.



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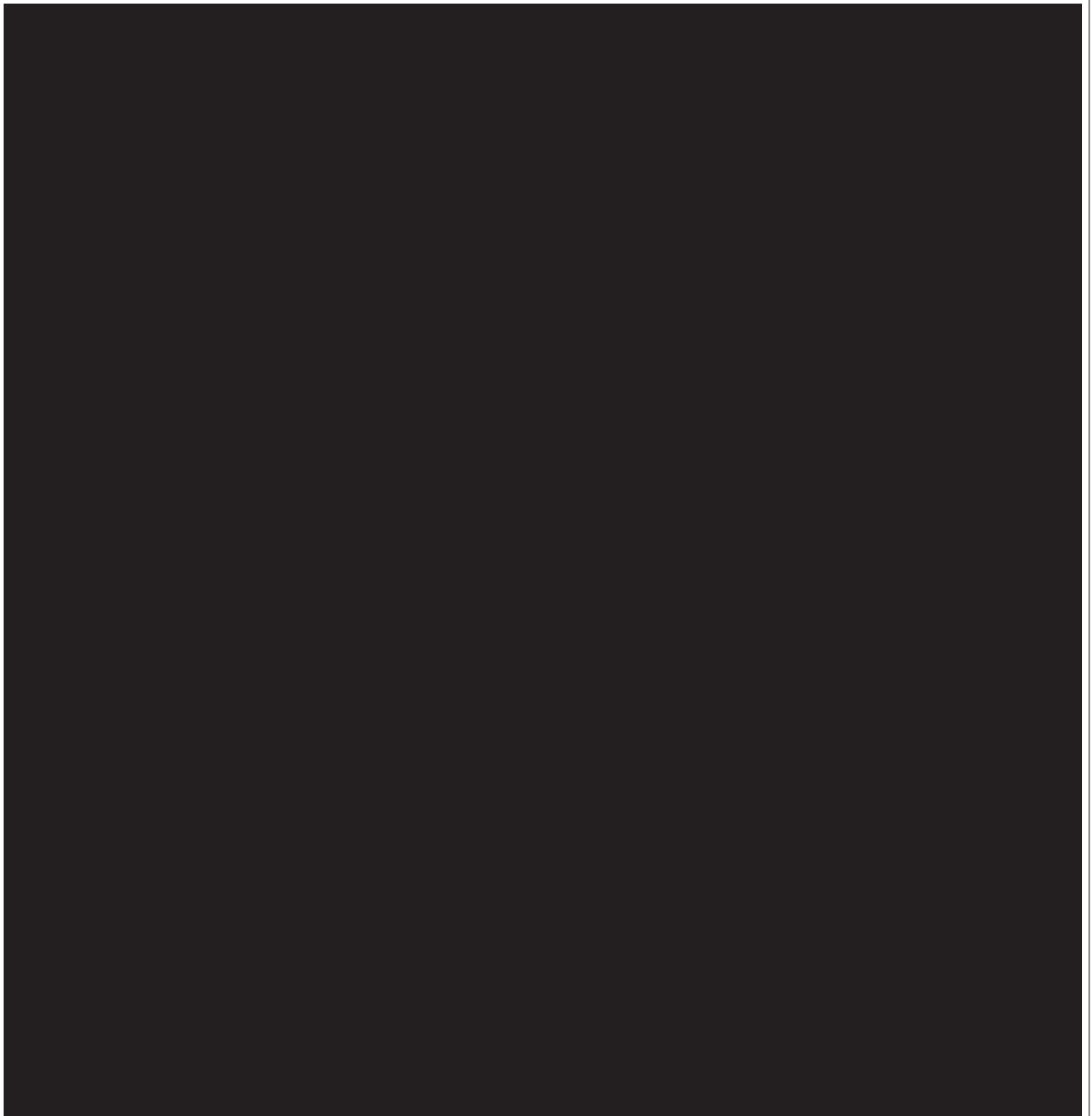
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17 Q. Withdrawn. Withdrawn, sir.

18 A. DEA compliance.

19 Q. Withdrawn.

20 MS. VANNI: You need to  
21 allow --

22 BY MR. BUCHANAN:

23 Q. Sir, if you're not staying  
24 with my questions, we're going to move

1     along.

2                     Exhibit 33. Do you have  
3     that before you?

4                     MS. VANNI: I don't.

5                     (Document marked for  
6     identification as Exhibit  
7     Endo-Macrides-33.)

8                     MR. BUCHANAN: You were  
9     passed that one already.

10                    MS. VANNI: I was? Okay.

11     BY MR. BUCHANAN:

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A. I reviewed documents --

Q. Were you involved in any way --

A. I'm speaking on behalf of the company --

MS. VANNI: Let him answer the question.

THE WITNESS: I have reviewed documents --

MR. BUCHANAN: Withdrawn. Withdrawn.

MS. VANNI: I'm going to state an objection too, because he was educated and he's here testifying as a 30(b)(6). And you can't accept testimony that's convenient for you and reject

1 testimony that's not convenient  
2 for you.

3 This witness has been  
4 educated on 30(b)(6) issues and is  
5 entitled to infer documents that  
6 you are asking him to infer. And  
7 it is not fair to take part of it  
8 and not another part. Just note  
9 my objection.

10 MR. BUCHANAN: All you got  
11 to say is "objection to form."

12 BY MR. BUCHANAN:

13 Q. Okay. So the question was  
14 withdrawn. And, therefore, it was an  
15 inapt comment.

16 MS. VANNI: Well, it applies  
17 retroactive to your other  
18 document.

19 MR. BUCHANAN: Mr. -- I  
20 don't know what that applies to.

21 BY MR. BUCHANAN:

22 Q. Mr. Macrides --

23 MS. VANNI: The record will  
24 speak for itself.

1 MR. BUCHANAN: As it always  
2 does.

3 BY MR. BUCHANAN:



20 Q. So we just took about a  
21 25-minute break. And I got to know, sir,  
22 what did you look at on the break that  
23 caused you to just change your testimony  
24 about your role and involvement about the

1 company's response to the DEA meeting in  
2 2013?

3 MS. VANNI: Objection to  
4 form.

5 BY MR. BUCHANAN:

6 Q. What were you shown to  
7 refresh your recollection and recant your  
8 testimony before the break about your  
9 role and involvement about response to  
10 the DEA meeting in March of 2013?

11 Please tell the jury.

12 A. I --

13 MS. VANNI: Objection. And  
14 he is not recanting any testimony.  
15 It's an unfair characterization.

16 BY MR. BUCHANAN:

17 Q. What did you review during  
18 the break?

19 A. I didn't review anything. I  
20 just -- you just -- you challenged me on  
21 my knowledge and my engagement in some of  
22 these documents and some of these issues  
23 were discussed. And I'm just clarifying  
24 that my -- my involvement and engagement,

1       that's all.

2               Q.       During the break were you  
3       having discussions with counsel, sir?

4               A.       Of course I was having  
5       discussions with counsel.

6               Q.       Thank you.

7               MS. VANNI: Object to form.

8               MR. BUCHANAN: Was the  
9       witness shown documents during the  
10      break, Counsel?

11              MS. VANNI: Oh, I'm not  
12      being deposed, Counsel. And you  
13      are not entitled --

14              MR. BUCHANAN: Aiding the  
15      witness in recanting and changing  
16      his testimony is inappropriate.

17              MS. VANNI: Okay. Well, I  
18      take offense to that, because I  
19      have not done any such thing and  
20      would never do any such thing.

21              MR. BUCHANAN: Well, when --

22              MS. VANNI: And this witness  
23      is not recanting his testimony.  
24      He is providing context to

1 documents that you are questioning  
2 him about and then saying he  
3 was -- he has no personal  
4 knowledge of it.

5 All we're saying is he was  
6 shown documents in preparation for  
7 his 30(b)(6) testimony here.  
8 Those documents regardless of  
9 whether he was involved in them  
10 personally or not, if he was  
11 educated on them, he should be  
12 allowed to testify fully to them.

13 MR. BUCHANAN: He is --

14 MS. VANNI: And not what you  
15 want to choose to ask him about.

16 He should be able to provide  
17 context, and you are moving to  
18 strike his testimony in an  
19 improper way, frankly, because he  
20 didn't have personal knowledge of  
21 it.

22 And our -- my point simply  
23 is, that he has been educated on  
24 these documents and should be able

1 to testify fully to them.

2 MR. BUCHANAN: What he  
3 shouldn't be is educated over a  
4 break by counsel, during an  
5 examination, Counsel.

6 MS. VANNI: And -- and he  
7 was not done --

8 MR. BUCHANAN: He was in the  
9 middle of cross-examination. And  
10 I -- look, the record does speak  
11 for itself and the jury or the  
12 judge will decide whether, in  
13 fact, he was coached into changing  
14 his testimony.

15 MS. VANNI: Okay. Well, I  
16 wanted the record to be clear --

17 BY MR. BUCHANAN:

18 Q. I'm referring to  
19 Exhibit 33 --

20 MS. VANNI: Well, wait. I  
21 want the record to be clear --

22 MR. BUCHANAN: We'll just  
23 add time to this.

24 MS. VANNI: -- that I

1 engaged in no such coaxing.

2 MR. BUCHANAN: Okay.

3 MS. VANNI: I want the  
4 record to be clear.

5 MR. BUCHANAN: We have the  
6 witness's testimony before and  
7 after the break that's pretty  
8 evident.

9 MS. VANNI: That's fine.

10 BY MR. BUCHANAN:

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Q. Right. And so first time we've got boots on the ground in your customers.

By the way, Qualitest is still doing direct business with retail pharmacies after telling the DEA in 2009 that it wasn't going to do it anymore.

MS. VANNI: Object to form.  
BY MR. BUCHANAN:

Q. Right?  
As of 2014, Qualitest is still doing business with retail pharmacies directly, correct, sir?

1 MS. VANNI: Object to form.

2 THE WITNESS: I believe  
3 the -- the decision was that we  
4 weren't shipping hydrocodone  
5 products to independent retail  
6 pharmacies.

7 BY MR. BUCHANAN:

8 Q. I see. But the rest of the  
9 holy trinity was okay?

10 MS. VANNI: Object to form.

11 THE WITNESS: I'm just  
12 clarifying your assessment.

13 BY MR. BUCHANAN:

14 Q. Okay. So you put boots on  
15 the ground, and he actually learned this  
16 isn't a real pharmacy, right?

17 MS. VANNI: Object to form.

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19 BY MR. BUCHANAN:  
20 Q. Okay. Let's look at  
21 Exhibit 34.  
22 MS. VANNI: Can I have that?  
23 (Document marked for  
24 identification as Exhibit

1                   Endo-Macrides-34.)

2           BY MR. BUCHANAN:

3                   Q.       December 30, 2013,

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5 BY MR. BUCHANAN:

6 Q. Let's go onto the next one  
7 in this Texas road trip.

8 A. Would that be Exhibit 35?

9 Q. Sure.

10 (Document marked for  
11 identification as Exhibit  
12 Endo-Macrides-35.)

13 BY MR. BUCHANAN:

14 Q. Again, actually going and  
15 meeting your customers. Good idea,  
16 correct, sir?

17 MS. VANNI: Objection.

18 BY MR. BUCHANAN:

19 Q. Can we agree that going and  
20 meeting your customers, their place of  
21 business when they're handling controlled  
22 substances, is a good idea?

23 A. I think I've testified that  
24 visiting customers is an important part

1 of a suspicious order monitoring program.

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23 Mr. Brantley requests dispensing  
24 histories for controlled substance.

1 According to the pharmacy, they filled  
2 450 to 600 prescriptions monthly. About  
3 44 percent.

4 But when the actual  
5 dispensing history was asked for, the  
6 pharmacy refused to provide it, correct?

7 A. Yeah. I think what this  
8 report is saying --

9 Q. Is that what it states, sir?

10 A. Yeah, the question -- in the  
11 questionnaire --

12 Q. Excuse me, sir. Please stay  
13 with my questions.

14 According to the  
15 questionnaire, 70 percent of the  
16 prescriptions were paid in cash. Is that  
17 what it states?

18 A. That's what it says.

19 Q. Okay. We know that's not  
20 right.

21 MS. VANNI: Object to form.

22 BY MR. BUCHANAN:

23 Q. Right?

24 A. Certainly that would be a

1 concern, and the recommendation as a  
2 result of those concerns was discontinue  
3 shipment to this customer.

4 Q. Right. Because when you  
5 actually went out and did questionnaires  
6 and did due diligence with your  
7 customers, who you were already shipping  
8 products to, you found these are not  
9 customers that we can trust for  
10 maintaining effective controls against  
11 diversion; isn't that right?

12 MS. VANNI: Object to form.

13 THE WITNESS: As I stated  
14 earlier, during this time frame,  
15 we were -- we were enhancing our  
16 suspicious order monitoring  
17 program, and these enhancements  
18 were resulting in decisions we  
19 took to not ship to certain  
20 customers --

21 BY MR. BUCHANAN:

22 Q. Again --

23 A. -- as in this example.

24 Q. Again, after the sit-down

1 with the DEA in March of 2013, right?

2 MS. VANNI: Object to form.

3 THE WITNESS: We had  
4 identified previously to 2013 that  
5 we needed to make certain  
6 improvements to our DEA compliance  
7 programs.

8 BY MR. BUCHANAN:

9 Q. You had been told for years,  
10 years, that you needed to make  
11 improvements, but it wasn't until after  
12 you sat down with the DEA in March of  
13 2013 that you hired a head of SOMs and  
14 you actually sent DEA compliance to start  
15 knocking on your customers' doors,  
16 correct?

17 MS. VANNI: Object to form.

18 THE WITNESS: I don't agree  
19 with that characterization.

20 BY MR. BUCHANAN:

21 Q. When was Mr. Brantley hired,  
22 sir?

23 A. We had an evolving program  
24 throughout that time period. The DEA

1 meeting in 2013 was another part of that  
2 evolution to get additional information,  
3 additional guidance, so we could develop  
4 improved programs.

5 Q. Okay. When was Mr. Brantley  
6 hired, before or after the DEA meeting?

7 A. After the DEA meeting.

8 Q. Thank you. He was the head  
9 of what?

10 A. He was the manager of  
11 suspicious order monitoring.

12 Q. Okay. And he is the one who  
13 was actually doing DEA due diligence  
14 visits, correct?

15 A. He did some DEA due  
16 diligence visits.

17 Q. Okay. And the  
18 recommendation following the interaction  
19 with this customer was stop selling,  
20 right?

21 A. Based on the questionnaire,  
22 yes.

23 Q. Okay. So those were all  
24 retail pharmacies, or some retail

1 pharmacies during this Texas road trip in  
2 late 2013, early 2014.

3 I'd like to talk about some  
4 of your interactions with your  
5 distributors.

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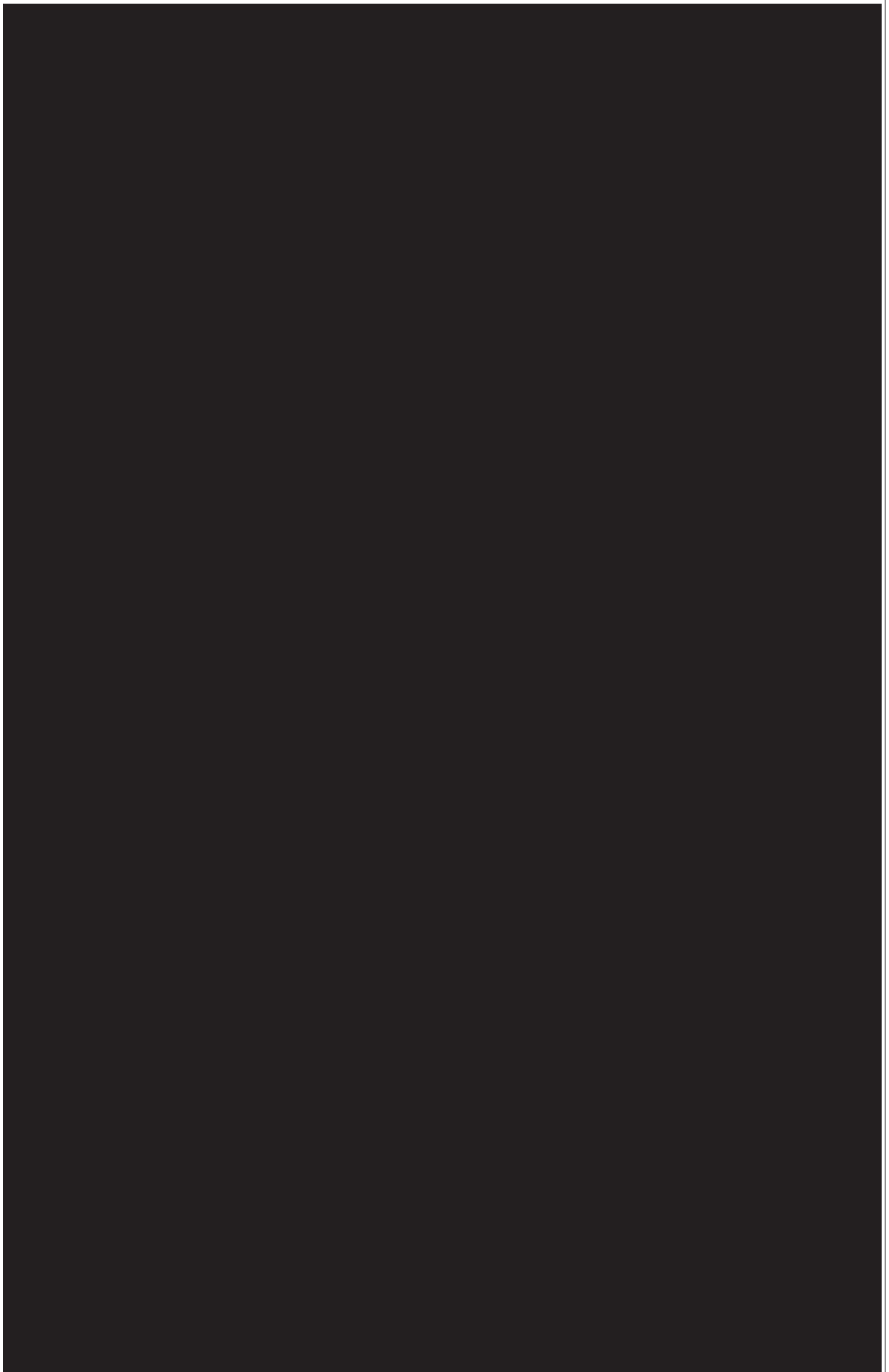
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MS. VANNI: Object to form.

10

THE WITNESS: There's no

11

knowledge here that -- or

12

information that they were

13

reported to the DEA.

14

BY MR. BUCHANAN:

15

Q. Because in fact, you were

16

the person selling to them? You were

17

selling directly to people that were

18

problematic customers, right?

19

MS. VANNI: Object to form.

20

THE WITNESS: We were

21

selling to these customers.

22

BY MR. BUCHANAN:

23

Q. Please look at Exhibit 41,

24

sir.

1 (Document marked for  
2 identification as Exhibit  
3 Macrides-41.)

4 THE WITNESS: 41?

5 BY MR. BUCHANAN:

6 Q. Yeah. Exhibit 41, sir, is  
7 excerpted from the company's  
8 interrogatories that were prepared by the  
9 company and counsel and produced to us in  
10 the last two weeks.

11 It says suspicious orders  
12 and --

13 MS. VANNI: This is a  
14 demonstrative based on the --

15 MR. BUCHANAN: It -- it's a  
16 demonstrative. But it is, in  
17 fact, the entire chart as -- as  
18 reflected in the interrogatory.

19 BY MR. BUCHANAN:

20 Q. These are, in fact, either  
21 suspicious orders or customers reported  
22 to DEA by Par Pharmaceuticals, as  
23 disclosed in discovery responses to us,  
24 sir.

1                   We could agree, sir, looking  
2                   at this list, that you don't see any  
3                   reports to the DEA of any suspicious  
4                   orders or any suspicious customers prior  
5                   to the meeting with the DEA in March of  
6                   2013, correct, sir?

7                   MS. VANNI: Objection.

8                   THE WITNESS: All these  
9                   dates are after March of 2013.

10                  MS. VANNI: I want to make  
11                  one more objection to the extent  
12                  that I don't -- I don't know  
13                  whether that interrogatory even  
14                  called for that information.

15                  MR. BUCHANAN: It does. But  
16                  your objection is noted.

17                  MS. VANNI: I also object to  
18                  completeness.

19                  BY MR. BUCHANAN:

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A. Yeah, which sheet are you referring to?

Q. The company had a meeting with the DEA in March of 2013 --

A. I'm aware of that.

Q. There was a binder that was prepared that showed the company's shipments of various products --

A. Try to find that -- right. Right.

Q. We don't need to dig -- dig it out.

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BY MR. BUCHANAN:

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Q. Okay. Let's move on.

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9

I told you we were going to  
talk in segments today. I want to return  
to one we'd talked about at the  
beginning.

10

A. Okay.

11

Q. Endo.

12

A. Okay.

13

14

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MR. BUCHANAN: Can I have,  
please, Exhibit 4 back up on the  
screen.

16

BY MR. BUCHANAN:

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Q. What we have here, sir, is  
the -- the summary of data reflecting,  
you know, the pills for various  
categories over various years that the  
company sold relating to opioid products.

Do you recall our  
discussions about that earlier?

A. Yeah, I have it in front of

1 me.

2 Q. Okay. The company -- we've  
3 asked the company to tell us how we can  
4 identify those orders that were pending  
5 over time and then released.

6 There's a system that tracks  
7 orders in -- orders by Endo, as to  
8 whether they've been pending, correct?

9 A. That would be in SAP.

10 Q. Okay. And so whatever the  
11 algorithm was at the time, it would pending,  
12 and then after it was pending it could be  
13 released, correct?

14 A. If it pending after it was  
15 reviewed and investigated, it could be  
16 released.

17 Q. And I think your testimony,  
18 sir, is that in no instance was a pending  
19 order not shipped for Endo, correct?

20 A. That was my testimony.

21 Q. And in no -- in no instance  
22 was a pending order ever reported as  
23 suspicious to the DEA, correct?

24 A. As a result of our review

1 and investigation, no orders were deemed  
2 to be suspicious and, therefore, reported  
3 to FDA -- or DEA, I'm sorry.

4 (Document marked for  
5 identification as Exhibit  
6 Endo-Macrides-44.)

7 BY MR. BUCHANAN:

8 Q. I'm passing you, sir,  
9 Exhibit 44.

10 Here you go. You can take  
11 the rubber band off it, sir.

12 MS. VANNI: Do you have a  
13 copy for me?

14 MR. BUCHANAN: We do. Do  
15 you want it?

16 You can probably take  
17 that -- I'll take the cardboard  
18 back from you, sir.

19 (Discussion held off the  
20 record.)

21 BY MR. BUCHANAN:

22 Q. Sir, I'll represent to you  
23 that we asked the company to identify for  
24 us the transactions that had been pended

1       and cleared --

2               A.       Okay.

3               Q.       -- by the team at Endo. And  
4       they pointed us to a spreadsheet, and  
5       this is the spreadsheet that reflects  
6       them.

7                        Could you go to the first  
8       substantive page of that document, sir?

9               MR. BUCHANAN: Can we pull  
10       it up on the screen, please.

11               All right. The print could  
12       be challenging on pages of that  
13       size, but too many trees were  
14       dying to provide copies as it was.

15               THE WITNESS: I can see it.

16       BY MR. BUCHANAN:

17               Q.       Does this reflect, sir, to  
18       your knowledge an output of the system  
19       that tracks pending orders?

20               A.       This appears to be output  
21       from our SAP system.

22               Q.       That is indeed the system  
23       that would track pending orders?

24               A.       That's the system where the

1 orders would be.

2 Q. Okay. These have been  
3 identified, sir, as the pended orders  
4 over the years for Endo, I'll represent  
5 to you. To my knowledge, through our  
6 team's review, it only reflects orders  
7 prior to 2014.

8 A. Prior to 2014.

9 Q. Okay. Is there another  
10 system that would track pended orders  
11 after that point in time?

12 A. The system is still SAP.  
13 The only thing that's significant about  
14 the 2014 time frame is there was a fairly  
15 substantial upgrade that was done to SAP.

16 Q. I'll represent to you, sir,  
17 that there are 147,000-plus lines of  
18 orders.

19 A. Okay.

20 Q. That were pended by Endo.

21 A. Okay.

22 Q. Am I correct in  
23 understanding your testimony, sir, that  
24 for each and every one of those 147,000

1 orders, somebody pressed "ship" for Endo  
2 after it tripped a wire for suspicious  
3 order flags?

4 MS. VANNI: Object to form.

5 THE WITNESS: What I can  
6 tell you is that if these orders  
7 were pended, as they were here,  
8 then they were reviewed and  
9 investigated, including contacting  
10 the customer and requesting  
11 specific information about the  
12 order, and then if they were  
13 deemed to be not suspicious, then  
14 they were released.

15 Additionally, these orders  
16 would then have gone to a  
17 third-party distribution partner,  
18 UPS, and would have gone through  
19 UPS's SOMs program and algorithm  
20 for further review.

21 And if it pended in UPS  
22 system, then there would have been  
23 further discussion and review  
24 before the orders shipped to the

1 ultimate end customer.

2 BY MR. BUCHANAN:

3 Q. UPS didn't have a  
4 relationship with your customers,  
5 correct?

6 A. UPS is our distribution  
7 partner.

8 Q. My question to you, sir, is,  
9 UPS -- you were UPS's customer, correct?

10 MS. VANNI: Object to form.

11 THE WITNESS: UPS --  
12 correct. UPS is a third-party  
13 distributor.

14 BY MR. BUCHANAN:

15 Q. Right. UPS did not have  
16 visibility to your customers and did not  
17 conduct due diligence of your customers,  
18 correct, sir?

19 MS. VANNI: Object to form.

20 THE WITNESS: No UPS -- UPS  
21 is the registrant for  
22 distribution, for the distribution  
23 license would be required to have  
24 a suspicious order monitoring

1 program in place.

2 BY MR. BUCHANAN:

3 Q. My --

4 A. It would be the  
5 responsibility of the client, in this  
6 case Endo, to manage the customer  
7 relationship.

8 Q. For you to manage your  
9 customer, your Morris and Dickson, your  
10 FW Kerr, your Top Rx, your BZ Pharmacies.  
11 Those were your customers?

12 A. That's how -- yes, that's  
13 how these relationships work.

14 Q. Right. And it was your job  
15 to manage your -- and do -- manage and do  
16 the due diligence on your customers,  
17 correct?

18 MS. VANNI: Object to form.

19 THE WITNESS: The model here  
20 is to outsource distribution. The  
21 customer relationship, the  
22 customer diligence is with Endo in  
23 that case.

24 Now UPS, given the fact that

1           they have a SOMs program and given  
2           the fact that they ship on behalf  
3           of multiple clients to, you know,  
4           the same customers, certainly  
5           might have information that's  
6           valuable to us and certainly  
7           outputs of their SOMs programs  
8           would be -- would be information  
9           we would be interested in. And  
10          that's a collaboration. That's a  
11          partnership.

12                       But the ultimate  
13           responsibility for the customer  
14           resides with Endo, not with UPS.

15   BY MR. BUCHANAN:

16           Q.       Okay. And so with regard to  
17           the spreadsheet printout that is before  
18           you, do you think there is a similar  
19           transaction record for everything after  
20           2014 in another system?

21           A.       There should be.

22           Q.       And as I understand it, sir,  
23           the way it worked is the computer flagged  
24           orders as potentially of concern or

1 suspicious for tripping a wire, some  
2 threshold, some frequency concern,  
3 whatever it was in this pre-2014 period?

4 A. Quantity, frequency, you  
5 know, order patterns, you know, we have  
6 products that are seasonal, for example.  
7 So those products would tend to kick out  
8 in this kind of a program. And then you  
9 would look at it, and you would examine  
10 it and you would say, "Oh, okay, this is  
11 a seasonal product. So there's more that  
12 gets ordered during certain times of the  
13 year."

14 Q. And in every single  
15 instance, each of the 147,000 orders  
16 required a human being to say, "Send it,"  
17 right?

18 MS. VANNI: Object to form.

19 BY MR. BUCHANAN:

20 Q. A human being from Endo  
21 after the computer had held the order as  
22 suspicious for one of those factors, had  
23 to press "ship," right?

24 MS. VANNI: Object to form.

1                   THE WITNESS: An employee of  
2                   Endo had to complete a review and  
3                   investigation on why that order  
4                   kicked out, and there could be  
5                   numerous reasons why the order  
6                   pending that would have to be  
7                   investigated before the order  
8                   could be moved into UPS's system.

9       BY MR. BUCHANAN:

10           Q.       And of 147,000 orders, the  
11           Endo people who are looking at this  
12           didn't identify one, not a single order  
13           over the 15 years that are reflected in  
14           the data before you that compose 147,000  
15           orders that shouldn't --

16           A.       147,000 line items. That's  
17           not necessarily 147,000 orders --

18           Q.       Thank you.

19           A.       -- just to clarify.

20           Q.       The team at Endo who looked  
21           at these, or the person or people who  
22           looked at these over this period of time  
23           didn't identify a single product order or  
24           line item, as you stated, that it found

1 shouldn't be shipped or that it found  
2 needed to be reported to the DEA,  
3 correct?

4 MS. VANNI: Object to form.

5 THE WITNESS: After review  
6 and thorough investigation of  
7 these orders that pended, the  
8 conclusion was that the order  
9 pended for a valid reason and,  
10 therefore, was not suspicious, and  
11 was therefore moved to UPS to go  
12 through the additional check of  
13 UPS's suspicious order monitoring  
14 system.

15 BY MR. BUCHANAN:

16 Q. Sir, the total value of the  
17 pended orders in that spreadsheet is  
18 \$4.5 billion.

19 Did you know that?

20 MS. VANNI: Objection.

21 Beyond the scope.

22 THE WITNESS: I didn't know  
23 the exact quantity of this. But I  
24 do -- I do have an understanding

1                   of our -- of our sales.

2       BY MR. BUCHANAN:

3                   Q.       Every one of them shipped?

4                   A.       After the proper due  
5       diligence was performed and the  
6       conclusion was made that the order was  
7       not suspicious, it was moved to UPS. It  
8       went through UPS's suspicious order  
9       monitoring system, UPS's algorithm. And  
10      if it passed successfully through that,  
11      it shipped.

12                  Q.       Please tell the jury how  
13      many orders UPS reported to the DEA for  
14      Endo products?

15                  A.       These orders, after going  
16      through UPS system --

17                           MS. VANNI: Object to form.

18                           THE WITNESS: -- were  
19                   further concluded that they were  
20                   not suspicious.

21       BY MR. BUCHANAN:

22                  Q.       In fact, UPS paid a  
23      \$40 million fine for its activities in  
24      shipping controlled substances and

1     soliciting business from people who were  
2     diverting controlled substances and  
3     opioids.

4                     MS. VANNI:  Objection.

5     BY MR. BUCHANAN:

6             Q.     Do you know that, sir?

7                     MS. VANNI:  Objection.

8                     THE WITNESS:  I know that  
9             UPS was fined, I believe related  
10            to their small parcel business,  
11            which -- which wasn't the business  
12            that we were using for  
13            distribution of these products.

14    BY MR. BUCHANAN:

15             Q.     Did you know UPS was  
16            soliciting business, sir, from internet  
17            pharmacies and not reporting the  
18            suspicious orders that they were  
19            receiving from those pharmacies?  Did you  
20            know that?

21                     MS. VANNI:  Objection.

22    BY MR. BUCHANAN:

23             Q.     They were, in fact,  
24            soliciting business from them.

1 MS. VANNI: Objection.

2 THE WITNESS: I understand  
3 that UPS was fined for activities  
4 in, I believe, their small parcel  
5 business.

6 MS. VANNI: Counsel, by my  
7 calculation, I think we are at  
8 seven hours.

9 MR. BUCHANAN: Okay.

10 And just so we have the fact  
11 clear.

12 BY MR. BUCHANAN:

13 Q. To your knowledge, sir, not  
14 a single Endo order processed by UPS has  
15 ever been reported to the DEA, correct?

16 MS. VANNI: Object to form.

17 THE WITNESS: I believe I've  
18 testified that after review and  
19 investigation and a run through  
20 UPS's SOM systems, the orders were  
21 deemed to not be suspicious and,  
22 therefore, were shipped.

23 MR. BUCHANAN: I'm -- I'm  
24 out of time.

1 THE VIDEOGRAPHER: Off the  
2 record at 6:13 p.m.

3 (Short break.)

4 MS. VANNI: I object to any  
5 questioning by counsel for  
6 Tennessee. This witness,  
7 Mr. Macrides, has no special  
8 knowledge related to Tennessee.  
9 We do not believe that this  
10 deposition was properly  
11 cross-noticed.

12 We are going to allow  
13 Mr. Macrides to testify in a very  
14 limited capacity today. I don't  
15 expect there to be any  
16 duplication. And the questioning  
17 should be related to Endo, and  
18 in -- only in connection with any  
19 Tennessee issues.

20 If -- if it becomes  
21 duplicative or if it exceeds the  
22 parameters of questions related to  
23 Endo in connection with Tennessee,  
24 I'm going to instruct the witness

1 not to answer.

2 MR. STEWART: And I'll just  
3 say obviously it's a properly  
4 noticed deposition. If -- if  
5 defendant had an objection,  
6 defendant could have sought a  
7 protective order. Has chosen not  
8 to do so. So it's properly  
9 noticed per -- in the same way  
10 that the other multiple  
11 depositions that we participated  
12 in has been properly noticed.  
13 And -- and so we're here  
14 appropriately, and we plan to  
15 question the witness about any  
16 aspect of the testimony for which  
17 he's been put forward, which is  
18 Items 30, 31, 32, 33 and 35,  
19 without limitation.

20 And I'll just tell you we  
21 will probably take two hours.

22 So I don't know if you want  
23 to take a break before we get  
24 started --

1 MS. VANNI: Yes, we are  
2 going to take a break. But my  
3 objection stands.

4 (Short break.)

5 MS. VANNI: With respect --  
6 I want to further clarify my  
7 objection to this line of  
8 questioning. With respect to the  
9 cross-notice I want to note that  
10 it was just issued yesterday and  
11 we did lodge an objection via  
12 e-mail to counsel, and at that  
13 point in time, told counsel that  
14 we weren't going to allow any  
15 questioning, which our objection  
16 is in line with the CMO on the  
17 deposition and the parameters  
18 that -- that this counsel's  
19 colleagues have been following  
20 with respect to Endo witnesses in  
21 the Tennessee litigation.

22 And just note, that as a  
23 concession, we're going to allow  
24 the testimony but under the

1           limited parameters that I've  
2           previously stated.

3           Thank you.

4           MR. STEWART: And -- and  
5           like I said, it's properly noticed  
6           and we're going to proceed as we  
7           have in all the other depositions  
8           that we've taken.

9           THE VIDEOGRAPHER: On the  
10          video record at 6:34 p.m.

11                           -   -   -

12                           EXAMINATION

13                           -   -   -

14          BY MR. STEWART:

15                 Q.       And I'd like to hand you,  
16          sir, an exhibit, marked Exhibit 45.

17                         (Document marked for  
18                         identification as Exhibit  
19                         Endo-Macrides-45.)

20          BY MR. STEWART:

21                 Q.       Do you see that?

22                         MS. VANNI: Do you have a  
23          copy for me?

24                         MR. STEWART: I think it's

1 right in front of you.

2 MS. VANNI: This is it?

3 MR. STEWART: Yes.

4 MS. VANNI: Okay.

5 THE WITNESS: I see this.

6 BY MR. STEWART:

7 Q. Yeah, do you see a document  
8 that has an exhibit sticker 45 on it?

9 A. I do.

10 Q. And do you see it's a  
11 cross-notice of oral videotaped  
12 deposition with your name?

13 It's the very first line,  
14 please take notice, or -- or the heading?

15 A. I see that.

16 Q. Okay. And, sir, can you  
17 turn to Page 16 of that -- of the  
18 document that accompanies the notice  
19 that's part of Exhibit 45?

20 Do you see that?

21 A. I see 16.

22 Q. And do you see Item 30?

23 A. I see Item 30.

24 Q. And is that -- are Items 30

1 and 31 two of the subjects you're  
2 supposed to testify on today?

3 MS. VANNI: Objection.

4 These have been further revised  
5 subject to communications with  
6 counsel for the MDL. And to the  
7 extent that he is only going to be  
8 questioned with respect to Endo,  
9 he has not been designated with  
10 respect to diversion or abuse with  
11 respect to Endo. The record  
12 should be clear on that.

13 It's being handled by  
14 another witness.

15 BY MR. STEWART:

16 Q. You can answer.

17 I mean, you're here to talk  
18 about the suspicious order monitoring  
19 program with respect to opioids.

20 Is that fair?

21 A. I believe that's fair.

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Q. How would I find out? Where would I find out whether or not Endo has conducted a site visit in Tennessee?



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Q. Because you've got  
records -- and I say you, I'm using the  
term "you" for Endo as defined in your  
notice. Can we agree on that?

13 A. Repeat that, please.

14 Q. When I use the word "you,"  
15 I'm talking about Endo. Fair?

16 A. Fair.

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15 MS. VANNI: Object to form.

16 THE WITNESS: Not that I'm  
17 aware of.

18 BY MR. STEWART:

19 Q. So I can't say give me all  
20 the documents that show every  
21 investigated order out of Tennessee?

22 A. Not in the same way you're  
23 getting the stack of orders that pended.

24 Q. Okay. What sort of

1 information could I find about specific  
2 actions taken by Endo personnel with  
3 respect to investigating suspicious  
4 orders from the State of Tennessee?

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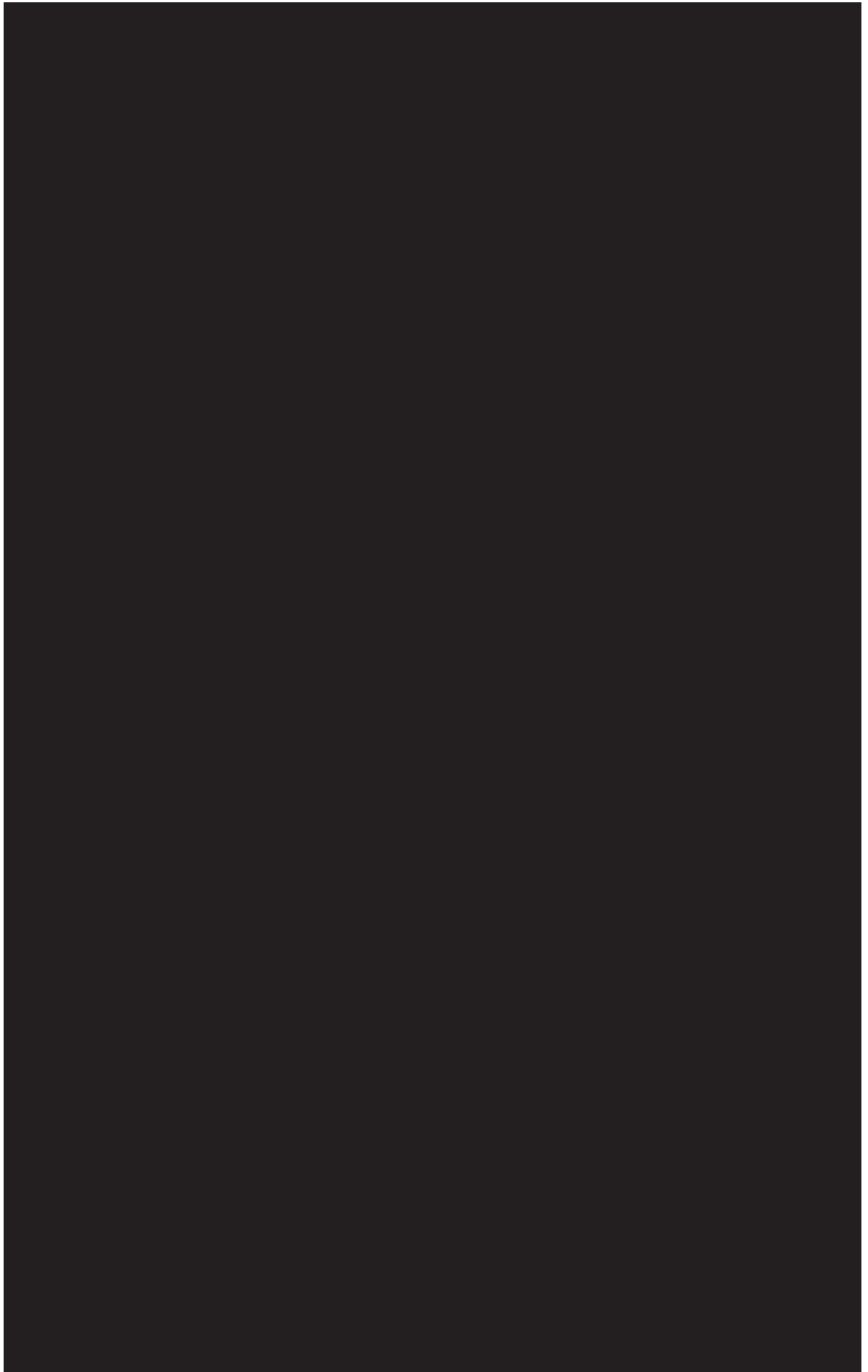
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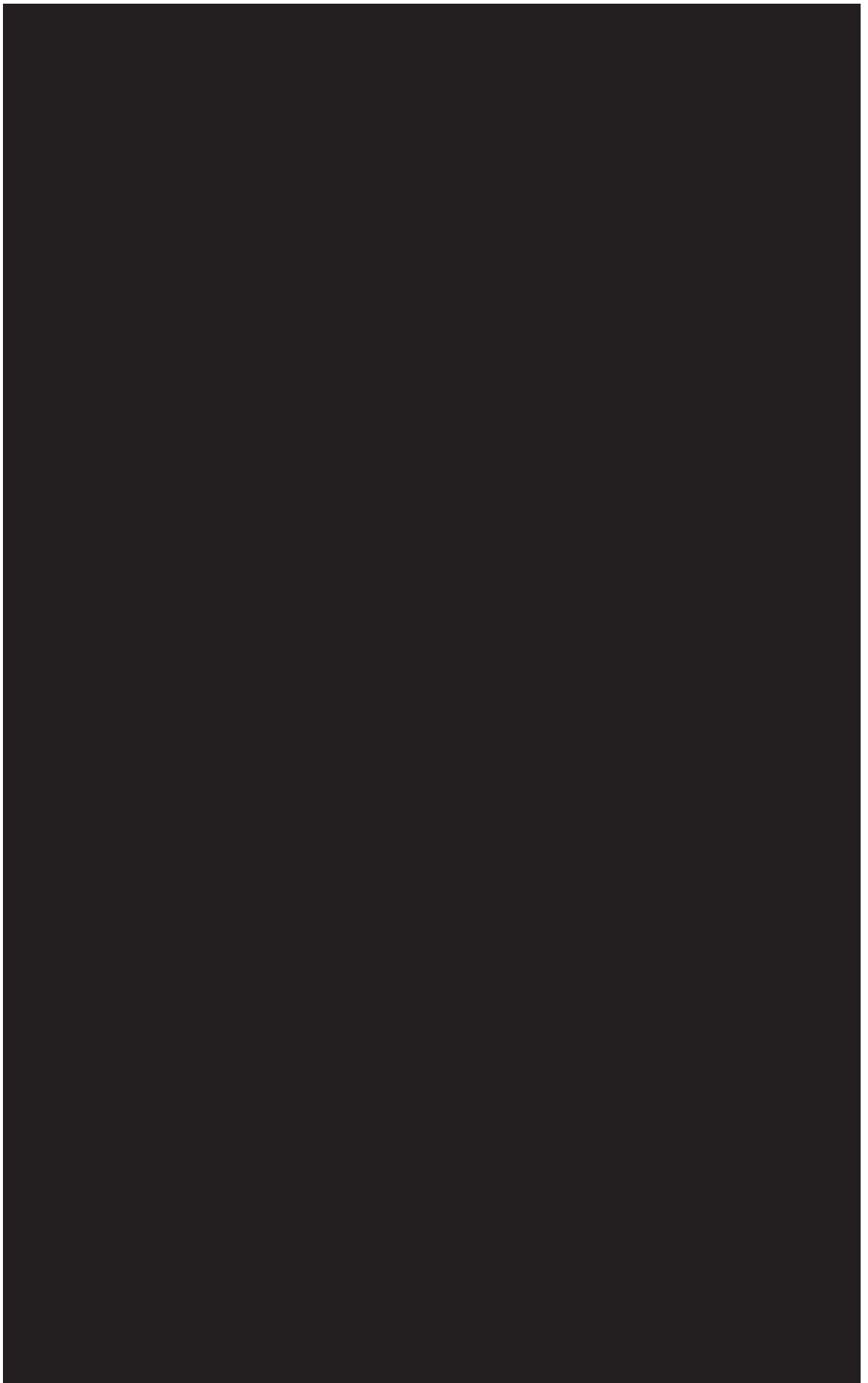
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11 Q. Are you at the meeting?

12 A. I'm not at the meeting.

13 Q. And --

14 A. I could have attended  
15 meeting. I haven't actually attended  
16 one. Sometimes it just has to do with my  
17 schedule.

18 Q. Anyone else that you know  
19 who attends them?

20 A. No.

21 Q. And are minutes kept or is  
22 there some record kept of the meetings  
23 between the head of DEA compliance and  
24 the CEO?

1           A.       I'm not -- I'm not -- I'm  
2       not sure if we're actually keeping  
3       minutes from those meetings.

4           Q.       Do you get a summary e-mail  
5       of what they talked about?

6           A.       I discuss it with Mike.

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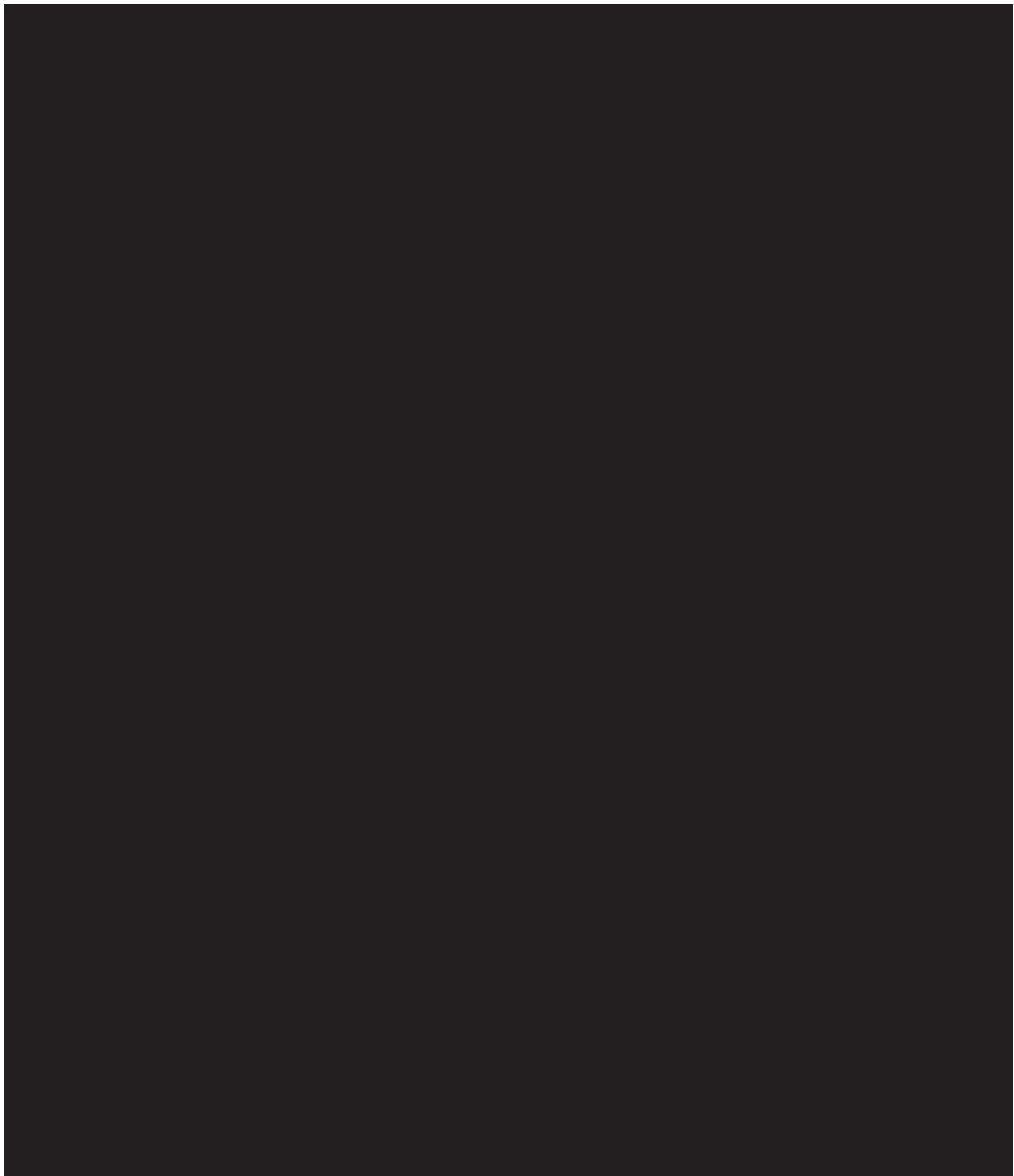
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A. Yes.

Q. Tell me about that discussion.

MS. VANNI: Objection.



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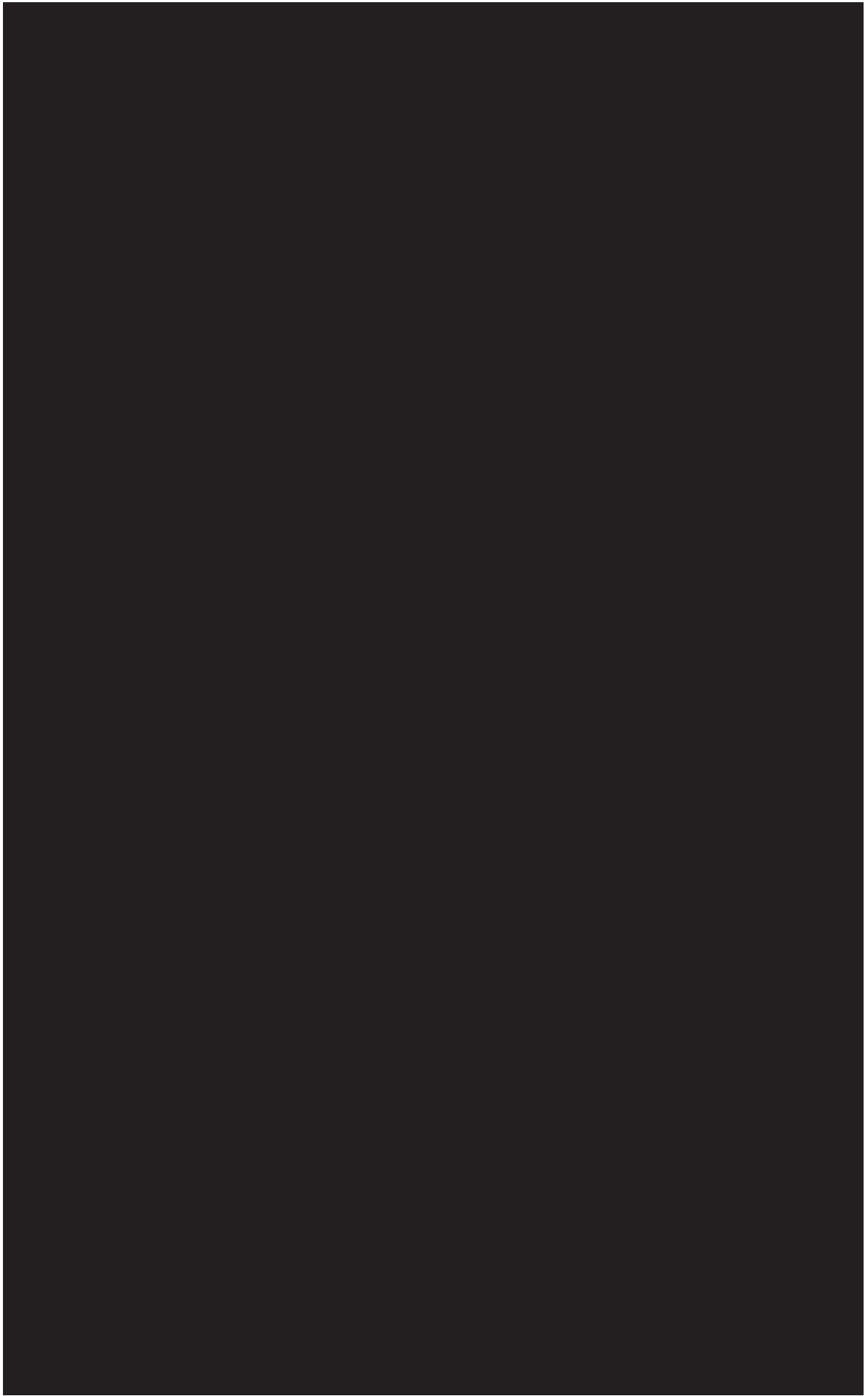
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MS. VANNI: Object to form.

15

THE WITNESS: I'm not aware

16

of any instance.

17

BY MR. STEWART:

18

Q. We talked about your

19

communicating with the CEO 2016 to 2018.

20

What about prior to 2016, while you were

21

at the company, who would have made those

22

communications with the CEO of Endo?

23

A. Prior to 2016?

24

Q. Sure.

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MS. VANNI: Objection.

THE WITNESS: It's a fair  
statement.

BY MR. STEWART:

Q. Okay. And who would have  
predated you, who would have done it  
prior to the time you took over as head  
of DEA compliance?



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A. Well, that would --  
that's -- yeah --

MS. VANNI: Objection. It  
exceeds the scope of --

THE WITNESS: Right.

MS. VANNI: -- of his  
designation and also is related to  
Qualitest and Par. I'm not going  
to allow him to answer that.

MR. STEWART: Okay. What's  
your basis?

MS. VANNI: I just stated,  
stated it.

MR. STEWART: Well, Endo is

1 defined as including its  
2 subsidiaries.

3 You're saying prior to these  
4 entities becoming part of Endo, is  
5 that your position, counsel?

6 MS. VANNI: Well, my  
7 position --

8 MR. STEWART: It's a  
9 momentous event to tell a witness  
10 not to answer in a deposition, so  
11 I'm wondering what your  
12 justification is.

13 MS. VANNI: Well, this is  
14 based on my well-articulated  
15 objection at the outset of this  
16 deposition, that this deposition  
17 was not properly noticed. Despite  
18 what you say, it was noticed  
19 yesterday. Not in compliance with  
20 the deposition CMO.

21 We objected and said we  
22 weren't going to allow him to  
23 testify to anything, because Par  
24 isn't even a defendant in any

1 Tennessee action.

2 Today we're making a  
3 concession, based on goodwill and  
4 the fact that you're here,  
5 allowing him to testify as to  
6 Endo. That is my basis.

7 MR. STEWART: Okay. I guess  
8 what I'm saying is, first of all,  
9 Par is a component of Endo as it  
10 stands today. So -- so Endo  
11 encompasses Par as -- as indicated  
12 by the notice and now by your  
13 local counsel in Tennessee.

14 Beyond that, as you know,  
15 the scope of a deposition, those  
16 sorts of objections can be made  
17 for the record, but that's not one  
18 of the three bases under Rule 30  
19 to tell a witness not to answer.

20 So I'm just going to tell  
21 you if you -- if you interfere  
22 with the deposition and tell the  
23 witness not to answer for some  
24 reason, other than those

1 articulated in the Rules of Civil  
2 Procedure, I think you are -- I  
3 think it's likely we'll have to  
4 come back and just get those  
5 questions at a different time,  
6 likely at your expense.

7 MS. VANNI: If this was a  
8 properly noticed deposition, I  
9 might agree with you. This is not  
10 a properly noticed deposition, and  
11 your colleagues in the Tennessee  
12 litigation have been following the  
13 protocol with respect to  
14 cross-noticing of depositions with  
15 respect to cases where Endo is a  
16 defendant. Not Par.

17 Given that he is testifying  
18 on behalf of Endo and Par, we are  
19 permitting him to testify with  
20 respect to your questions as to  
21 Endo also.

22 MR. STEWART: Like I said, I  
23 think we obviously have a  
24 disagreement about the application

1           of Rule 30, the law, the  
2           proprietary of the notice and so  
3           forth.

4           But we've set it out on the  
5           record, and we'll have to contend  
6           with it after this deposition.

7           I think telling the witness  
8           not to answer is improper.

9       BY MR. STEWART:

10           Q.     Tell me, did anyone at --  
11           did anybody while you were at Endo ever  
12           review information about doctors, nurse  
13           practitioners, physician assistants, or  
14           other providers who had been arrested or  
15           disciplined for overprescribing opioids  
16           in Tennessee?

17           A.     Not that I was involved in,  
18           although I will -- as I said earlier,  
19           there are other departments, other groups  
20           in Endo that deal with various aspects of  
21           compliance, complaints, patient safety,  
22           et cetera. And they may have been  
23           involved in that type of activity.

24           Q.     I take it that Endo's

1 specific order monitoring program never  
2 encompassed an effort to review records  
3 of physicians, nurse practitioners, and  
4 physician assistants who had been  
5 arrested and disciplined?

6 MS. VANNI: Object to form.

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Q. And did Endo have access to

1 data about where pharmacies that received  
2 Endo products were then selling Endo's  
3 products?

4 MS. VANNI: Objection.

5 Asked and answered. This was  
6 covered in detail by counsel for  
7 the MDL, in which you were present  
8 for the deposition. Becoming  
9 repetitive.

10 BY MR. STEWART:

11 Q. Go ahead and answer. I  
12 mean, that was your testimony earlier  
13 today, fair?

14 A. I've testified on suspicious  
15 order monitoring.

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MS. VANNI: Objection.

Beyond the scope of his 30(b)(6)  
designation.

BY MR. STEWART:

Q. You can answer.



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BY MR. STEWART:

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Q. I'll hand you Exhibit 46.

10

And can you turn -- do you

11

see that you have got a document in front

12

of you that's got an exhibit sticker, 46?

13

A. I do.

14

Q. Do you see at the bottom of

15

the document, there's a marker, bottom

16

right-hand corner, it says

17

ENDO-OPIOID\_MDL-05948280.

18

Do you see that?

19

A. I see that.

20

Q. If you turn to the page

21

marked 282, the number that ends in 282.

22

It's the third page of the document.

23

A. I see that.

24

Q. Okay. Take a moment, if you

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1 (Document marked for  
2 identification as Exhibit  
3 Endo-Macrides-47.)

4 BY MR. STEWART:

5 Q. Let me hand you Exhibit 47.  
6 Do you see that you're  
7 copied on this document?

8 A. I'm copied on this document.

9 Q. Is that right?  
10 And do you see that the  
11 bottom of the right-hand corner of  
12 Exhibit 47, you've got a -- a number  
13 ENDO-OPIOID\_MDL-06235529?

14 A. I see that.

15 Q. Okay. Can you take a look  
16 at this document and tell me what it is,  
17 what is the purpose of this document?

18 MS. VANNI: I'm going to  
19 object to this line of questioning  
20 because, regardless of whether  
21 it's a -- the Bates stamp is  
22 ENDO-OPIOID, this is clearly a Par  
23 document.

24 And for the reasons I -- I

1 articulated at the outset of your  
2 questioning, Counsel, the fact  
3 that this is not a properly  
4 noticed deposition, the fact that  
5 Par is not a defendant in any  
6 Tennessee case, I'm not going to  
7 allow him to address this  
8 document.

9 BY MR. STEWART:

10 Q. Because your counsel is --  
11 is telling you not to answer, we'll move  
12 on to the next document.

13 I'd like to hand you  
14 Exhibit 48.

15 (Document marked for  
16 identification as Exhibit  
17 Endo-Macrides-48.)

18 BY MR. STEWART:

19 Q. And I'll ask you to look at  
20 the document, and first tell me if it's  
21 got a marker at the bottom  
22 ENDO-OPIOID\_MDL-06211237?

23 A. It does.

24 Q. Okay. Do you know who Aaron

1       Graham is?

2               A.       Aaron Graham was head of  
3       security at Qualitest in Huntsville.

4               MS. VANNI: I'm going to  
5       make the same objection as to this  
6       document. It's clearly a Par  
7       document. Aaron Graham, as the  
8       witness just stated, was the  
9       senior director of corporate  
10      security at Huntsville.

11              Because Par is not a  
12      defendant in the Tennessee cases,  
13      and this deposition was not  
14      properly noticed, and this is not  
15      related to Endo, I'm not allowing  
16      him to answer.

17              MR. STEWART: Let's make  
18      sure I understand. I thought -- I  
19      thought the witness just said he  
20      was with Qualitest.

21              MS. VANNI: Qualitest is not  
22      a defendant in any of your  
23      Tennessee matters.

24      BY MR. STEWART:

1 Q. Okay. Maybe you can answer  
2 this question generally.

3 When did -- when did Endo  
4 purchase Qualitest?

5 MS. VANNI: Objection.

6 Covered during the main deposition  
7 of the MDL.

8 BY MR. STEWART:

9 Q. It was 2010, right? You can  
10 answer.

11 A. Endo acquired Qualitest in  
12 2010.

13 Q. Okay.

14 MR. STEWART: And so here we  
15 have a 2012 document. Endo has,  
16 by your own witness's statement,  
17 acquired Qualitest. I don't  
18 understand your objection even by  
19 your improper framework that  
20 you've created, Counsel. This is  
21 a Qualitest document. Endo owns  
22 Qualitest at this time.

23 What possible reason can you  
24 have to tell the witness not to

1                   answer the question?

2                   MS. VANNI: Counsel, I've  
3                   said it about three times now.

4                   Tennessee counsel, your  
5                   co-counsel in all the Tennessee  
6                   litigation has appeared in cases  
7                   where Endo is a defendant.

8                   This deposition is not  
9                   properly noticed with respect --  
10                  just generally, with respect to  
11                  the CMO. It's not properly  
12                  noticed.

13                  And we -- we went on record  
14                  yesterday as saying we weren't  
15                  going to even allow this witness  
16                  to testify. Today we are making a  
17                  concession since you are here  
18                  allowing him to testify as to Endo  
19                  issues. This document is clearly  
20                  a Qualitest document.

21                  MR. STEWART: But Qualitest  
22                  is part of Endo at the time in  
23                  question. What -- what  
24                  distinction are you making?

1 MS. VANNI: Qualitest was a  
2 separate corporate entity. It's  
3 not a defendant in the Tennessee  
4 litigations.

5 MR. STEWART: Counsel, let  
6 me ask you something, just to make  
7 sure we're clear on this. Because  
8 I think it's extraordinary what  
9 you're doing.

10 Do you know that in the --  
11 and you're welcome to look at  
12 Exhibit 45. Here is how you  
13 define Endo. Okay? Your own  
14 counsel defined Endo as:

15 Endo Health Solutions Inc.  
16 and Endo Pharmaceuticals Inc. and  
17 their officers, directors,  
18 employees, partners,  
19 representatives, agents, corporate  
20 parents, subsidiaries, affiliates,  
21 divisions, predecessors or  
22 successors in interest and other  
23 persons or entities acting on its  
24 behalf."

1                   Now, are you, for the  
2                   purposes of this deposition,  
3                   fashioning a new heretofore  
4                   unprecedented definition of the  
5                   word Endo?

6                   Explain.

7                   MS. VANNI: Are you asking  
8                   me a question?

9                   MR. STEWART: I am. Yeah, I  
10                  am asking you to justify your  
11                  extraordinary decision to tell  
12                  this witness not to answer a  
13                  question about a document marked  
14                  Endo, which is clearly about Endo.

15                 MS. VANNI: This is not --  
16                 this document is clearly not about  
17                 Endo. I'm looking at the First  
18                 Amended Complaint right now that's  
19                 filed in the Tennessee actions  
20                 where you name a number of  
21                 defendants, and with respect to  
22                 Endo, you name Endo Health  
23                 Solutions Inc. and Endo  
24                 Pharmaceuticals Inc. There is no

1                   mention of Par or Qualitest who  
2                   are separate corporate entities.

3                   MR. STEWART: Right.

4                   MS. VANNI: That's my  
5                   position.

6                   MR. STEWART: A separate  
7                   corporate entity owned by Endo at  
8                   the time the document was created  
9                   and defined by you as Endo.

10                  I can tell you this is  
11                  extraordinary. This is improper  
12                  what you're doing. We're going to  
13                  be back at your expense to ask the  
14                  witness about this fundamental  
15                  document.

16                  MS. VANNI: So fundamental  
17                  that it wasn't even covered by  
18                  counsel for the MDL.

19 BY MR. STEWART:

20                  Q. Are you aware -- is  
21                  Tennessee a hot spot location, considered  
22                  by Endo a hot spot?

23                  MS. VANNI: Object to form.

24                  THE WITNESS: What do you

1 mean by hot spot?

2 BY MR. STEWART:

3 Q. You tell me. Does Endo ever  
4 identify states as hot spots? Have you  
5 ever heard that term?

6 A. I've heard the term.

7 Q. What does it mean within  
8 your company, sir? What does hot spot  
9 mean?

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Q. Has the DEA provided Endo guidance with respect to hot spots?

A. DEA -- not specifically Endo.

Q. What does that mean?

A. It means I can only answer that question based on Endo, and I said not specifically to Endo --

Q. So the DEA --

A. -- that I'm aware of.

Q. Has the DEA provided Endo information about areas that are hot spots for opioids generally?



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THE WITNESS: Can we have  
a --

MS. VANNI: Counsel,  
whenever we have a logical  
stopping point.

MR. STEWART: Sure. We can  
take a break. Absolutely.

THE VIDEOGRAPHER: Off the  
record at 7:37 p.m.

(Short break.)

THE VIDEOGRAPHER: We are  
back on the record at 7:48 p.m.

(Document marked for

1 identification as Exhibit

2 Endo-Macrides-49.)

3 BY MR. STEWART:

4 Q. I'm going to hand you  
5 Exhibit 49: Do you see at the bottom of  
6 Exhibit 49, it's got a marker that says  
7 ENDO-OPIOID\_MDL-05968927.

8 A. I see that.

9 Q. Okay. And can you flip over  
10 to the second page. Actually the third  
11 page. Do you see that there is an  
12 address block for Lisa Walker?

13 A. I see that.

14 Q. You see it's got her e-mail?

15 A. I see that.

16 Q. What's her e-mail say?

17 A. It says

18 Walker.Lisa@Endo.com.

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15           A.       That's what it says here.  
16                   (Document marked for  
17           identification as Exhibit  
18           endo-Macrides-50.)

19 BY MR. STEWART:

20           Q.       I'll give you another  
21   document marked as Exhibit 50. Do you  
22   see that this document attaches a  
23   PowerPoint or series of PowerPoints that  
24   are being prepared for the DEA meeting,

1 2013?

2 A. I see that this is a  
3 document to prepare for a meeting with  
4 DEA.

5 Q. Okay. Are you familiar with  
6 it?

7 A. I've seen this document.

8 Q. Okay. Turn to Page 18 of  
9 the document.

10 Before we talk about the  
11 document, Page 18, can you just tell me  
12 which meeting, which DEA meeting was this  
13 PowerPoint designed to relate to?

14 A. Which DEA meeting?

15 Q. Sure. I mean, tell me a  
16 link, if you could, the document we're  
17 looking at, the PowerPoint, to a  
18 particular meeting with the DEA if you  
19 can?

20 MS. VANNI: Object to form.

21 THE WITNESS: It says  
22 meeting with DEA on October 17,  
23 2013.

24 BY MR. STEWART:

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Q. Now, can you turn to, it's another two pages down in the document, there's a document, a slide entitled "Phase I."

Do you see that?

MS. VANNI: What page number?

THE WITNESS: Line --

MR. STEWART: I believe so.

THE WITNESS: Phase I.

BY MR. STEWART:

Q. Yeah. Do you see that?

A. I see that.

Q. And do you see that the first sentence, the first portion of the slide says, "Enhancement of the existing SOMS calculation for all customers, all controlled products and pseudoephedrine products"?

A. Can I see that?

Q. And given the time table, October of 2013, do you know what this refers to?

1 MS. VANNI: Object to form.

2 THE WITNESS: Well, this is  
3 providing DEA with an update on  
4 the -- the status of enhancing  
5 our -- our algorithm for  
6 suspicious order monitoring.

7 BY MR. STEWART:

8 Q. Can you turn to the next  
9 page?

10 Do you see it says Phase II  
11 at the top?

12 A. I see that.

13 Q. And do you see the first  
14 phrase on this page says, "Hired  
15 individuals to support the program"?

16 MS. VANNI: Note my  
17 objection. This deals with  
18 Qualitest and was covered already  
19 during MDL counsel's questioning.

20 BY MR. STEWART:

21 Q. Here you are talking about  
22 hiring people to support the SOM program,  
23 fair?

24 A. Fair.

1 Q. Let me ask you, before you  
2 hired these individuals in 2013, how many  
3 individuals within the company were  
4 devoted full-time to the SOM program, the  
5 suspicious order monitoring program?

6 MS. VANNI: Are you asking  
7 as to Endo?

8 MR. STEWART: I'm asking as  
9 to Endo and all entities owned by  
10 Endo.

11 BY MR. STEWART:

12 Q. How many people were in  
13 charge or were paid to involve themselves  
14 with a suspicious order monitoring  
15 program before 2013?

16 MS. VANNI: You can answer  
17 as to Endo.

18 THE WITNESS: I can -- okay.  
19 I can answer as to Endo?

20 MS. VANNI: Mm-hmm.

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BY MR. STEWART:

Q. Turn to Page 27. Do you see you have a -- a slide, and it's entitled, "Rates of abuse self-reported at U.S. drug treatment centers data through second quarter 2013."

Do you see that?

A. I see the document.

Q. Okay. And do you see there is a graph for generic oxymorphone HCL?

A. I see that.

Q. Okay. And what does that graph show, can you tell?

MS. VANNI: Object to form.

THE WITNESS: If I'm reading this graph it says, "Cases per 100,000 prescriptions dispensed."

BY MR. STEWART:

Q. When it says cases, what

1 case, these are abuse cases, people  
2 abusing generic oxymorphone HCL?

3 A. It says the number of  
4 reported -- self-reported abuse cases. I  
5 think that's what it's showing.

6 Q. So what the chart is showing  
7 is they are going up for the generic  
8 oxymorphone HCL, the abuse cases?

9 A. That's what the chart says.

10 Q. Now, do you see at the  
11 bottom there is a source listing?

12 A. I see that.

13 Q. It says, "Source: National  
14 Addictions Vigilance Intervention and  
15 Prevention Program, NAVIPPRO"?

16 A. I see that.

17 Q. Are you familiar with  
18 NAVIPPRO?

19 A. I have a general  
20 understanding that they collect  
21 information about opioid abuse.

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20 MS. VANNI: Object to form.

21 THE WITNESS: Fair.

22 BY MR. STEWART:

23 Q. And do you use NAVIPPRO, the

24 NAVIPPRO system, in your work at Endo?

1 A. I do not.

2 Q. Okay. Turn over to the next  
3 page. Do you see that Page 28 of this  
4 exhibit, Exhibit 50, is entitled "Rates  
5 of abuse reported to U.S. Poison Control  
6 Centers data through first quarter of  
7 2013"?

8 Do you see that?

9 A. Yes, I do.

10 Q. Let's make sure we're tied  
11 up here. Can you turn to the front page  
12 of the document. Real quick. Just  
13 confirm that it's Exhibit 50.

14 A. It is.

15 Q. Okay. Good. So Exhibit 50,  
16 Page 28 we've got rates -- we've got a  
17 slide entitled "Rates of abuse reported  
18 to U.S. poison centers - data through  
19 first quarter of 2013," right?

20 A. That's what it says.

21 Q. Okay. And do you see that  
22 it's got Opana ER and other Schedule II  
23 opioids?

24 A. I see that.

1 Q. Would other Schedule II  
2 opioids include generic opioids?

3 MS. VANNI: Object to form.

4 THE WITNESS: I don't know  
5 what -- like I said, I didn't  
6 prepare this. So I don't know  
7 what's included in other Schedule  
8 II opioids.

9 BY MR. STEWART:

10 Q. Okay. From a -- just a  
11 common sense standpoint, the generic  
12 oxycodone, for example, is a Schedule II  
13 opioid, right?

14 MS. VANNI: Object to form.

15 THE WITNESS: Generic  
16 oxycodone is a Schedule II opioid.

17 BY MR. STEWART:

18 Q. Generic oxymorphone HCl is a  
19 Schedule II opioid, right?

20 A. Yes.

21 Q. Do you see at the bottom of  
22 slide -- of Exhibit 50, Page 28,  
23 there's -- it says, "Source: RADARS  
24 system, Poison Control Center program"?

1           A.       I see that.

2           Q.       Are you familiar with the  
3   RADARS system Poison Control Center  
4   program?

5           A.       I am not.

6           Q.       It's not something that you  
7   used in your work?

8           A.       It's not an area that I  
9   would be directly involved in.

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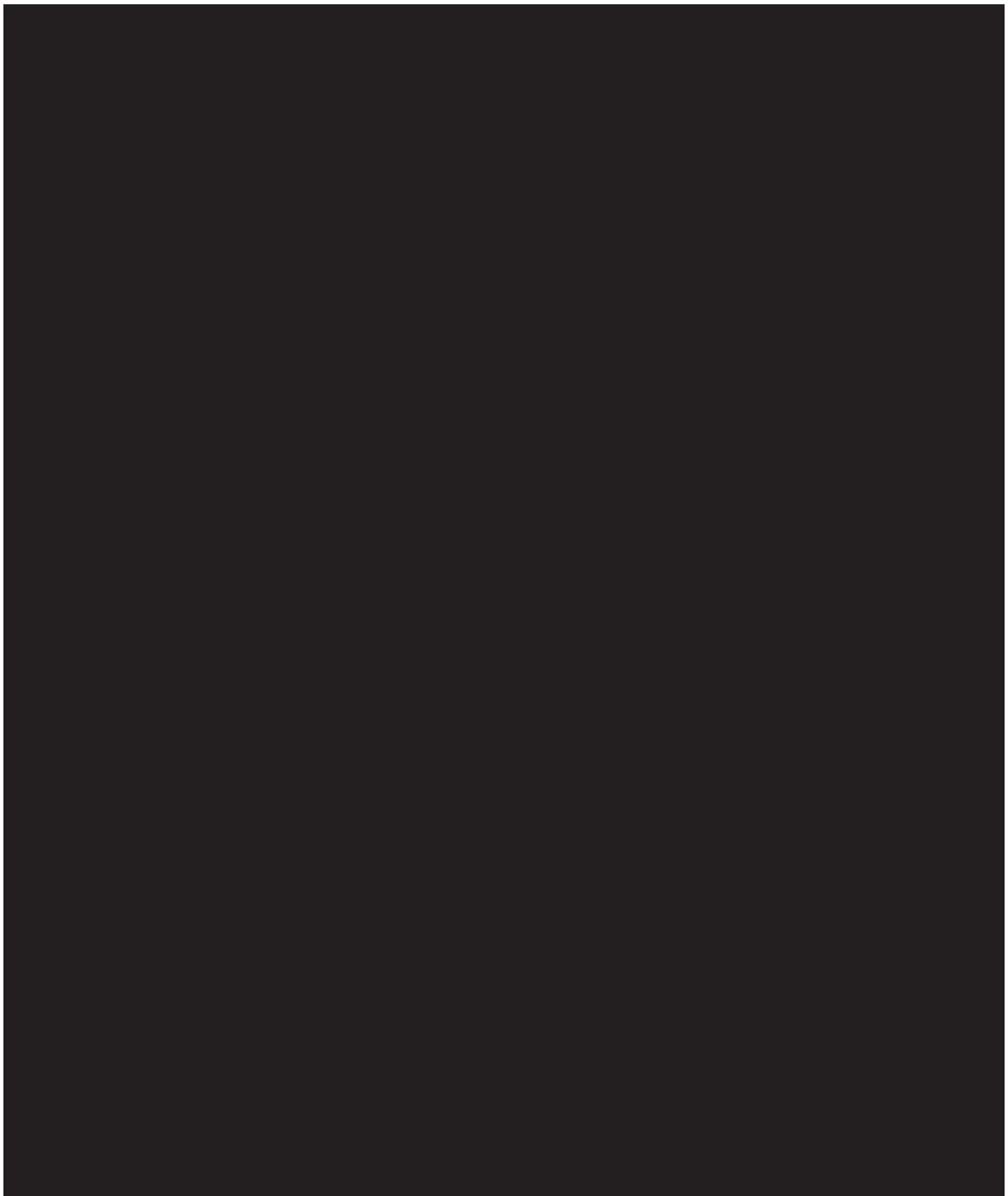
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19 MS. VANNI: Object to form.

20 THE WITNESS: No.

21 BY MR. STEWART:

22 Q. Do you see page -- can you  
23 turn to Page 33 of Exhibit 50. Do you  
24 see that that page is entitled

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MS. VANNI: Objection.

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Beyond the scope of his 30(b)(6)  
designation.

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BY MR. STEWART:

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Q. Is that what the slide  
shows?

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MS. VANNI: It covers abuse  
for Endo.

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BY MR. STEWART:

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Q. Is that what the slide  
shows?

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A. I'm just -- if you can just  
let me familiarize myself --

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Q. Sure.

23

A. -- with the slide, because  
it is not my area of responsibility.

24

1                   Okay. So it seems to be  
2     describing routes -- as it says, routes  
3     of administration of misuse of product.

4                   Q. Can you tell me, do you  
5     think there's a correlation between  
6     misuse of Endo opioid products and abuse  
7     of those products on the one hand, and  
8     suspicious orders being filled in a  
9     particular area?

10                  MS. VANNI: Object to form  
11                   and beyond the scope.

12                  THE WITNESS: I don't think  
13                   I understand your question. Can  
14                   you clarify?

15     BY MR. STEWART:

16                  Q. Well, sure. You're in  
17     charge of suspicious order monitoring,  
18     fair?

19                  MS. VANNI: Objection.

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23 Q. Turn to the next page,  
24 Page 34 of Exhibit 50.

1 Do you see that this slide  
2 presented to the DEA is entitled  
3 "Injection data in ASI-MV comparison of  
4 proportion of abusers who reported  
5 injecting Opana ER CRF in TN, the other  
6 states."

7 Do you see that?

8 A. I see that.

9 Q. Do you see that -- that this  
10 slide, Page 34, compares Tennessee with  
11 non-Tennessee states with respect to the  
12 proportion of abusers reporting injection  
13 of Opana ER?

14 MS. VANNI: Object to form.

15 THE WITNESS: I'm just  
16 trying to understand the slide  
17 here.

18 BY MR. STEWART:

19 Q. Sure.

20 A. I don't -- I don't know what  
21 ASI/MV means. Can you clarify that for  
22 me?

23 Q. I can't.

24 You can't clarify it, I take

1     it?

2             A.     No, as I said earlier, this  
3     is -- preparing these slides is not  
4     within my area of responsibility.

5             Q.     Do you -- do you see that --  
6     that that's a comparison here being made  
7     between Tennessee and all the other  
8     states?

9             A.     I see that there is some  
10    comparison being made here between  
11    Tennessee and other states.

12            Q.     Do you know, within your  
13    experience within Endo, if you've ever  
14    seen other documents in which Tennessee  
15    was singled out for comparison with all  
16    other states because of its unusual use  
17    or abuse or diversion of Endo products?

18            MS. VANNI: Object to form  
19            and beyond the scope.

20            THE WITNESS: I don't recall  
21            seeing other documents that  
22            specifically compare Tennessee to  
23            other states.

24    BY MR. STEWART:

1           Q.       You don't recall seeing  
2 documents with words like the Tennessee  
3 effect or Tennessee is different. That  
4 sort of thing?

5                   MS. VANNI: Object to form.

6 BY MR. STEWART:

7           Q.       Is that fair?

8           A.       I do not recall seeing those  
9 types of documents.

10          Q.       Okay. When did you arrive  
11 at Endo?

12          A.       October of 2012.

13          Q.       Ever heard of somebody named  
14 Mark Collins?

15          A.       I've seen that name in some  
16 of the documentation I've reviewed in  
17 preparing for my deposition.

18                   (Document marked for  
19 identification as Exhibit  
20 Endo-Macrides-51.)

21 BY MR. STEWART:

22          Q.       I'll hand you Exhibit 51 --  
23 I'll hand you Exhibit 51.

24                   Have you ever seen that

1 document, Exhibit 51?

2 A. I have not seen this  
3 document.

4 Q. And I take it you haven't  
5 seen -- when you say that, you haven't  
6 seen a draft of that document or any  
7 aspect of that document before.

8 Is that fair?

9 MS. VANNI: Object to form.

10 THE WITNESS: I don't  
11 believe I've seen this document.

12 BY MR. STEWART:

13 Q. I'll hand you another  
14 document.

15 (Document marked for  
16 identification as Exhibit  
17 Endo-Macrides-52.)


18 BY MR. STEWART:

19 Q. This is marked Exhibit 52.

20 Do you see at the bottom  
21 right-hand corner of that document you've  
22 got the Bates number  
23 ENDO-OPIOID\_MDL-01398417, do you see  
24 that?

1                   A.       I see that.

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19 BY MR. STEWART:

20 Q. That goes to my question.

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9 BY MR. STEWART:

10 Q. These people would have to  
11 be within Endo?

12 A. Those people would be within  
13 Endo.

14 (Document marked for  
15 identification as Exhibit  
16 Endo-Macrides-53.)

17 BY MR. STEWART:

18 Q. I'm going to hand you  
19 Exhibit 53. Do you see on Exhibit 53,  
20 the bottom right-hand corner of the page,  
21 there's a Bates -- what we call Bates  
22 number, which is this marker at the  
23 bottom. It says  
24 ENDO-OPIOID\_MDL-01239749.

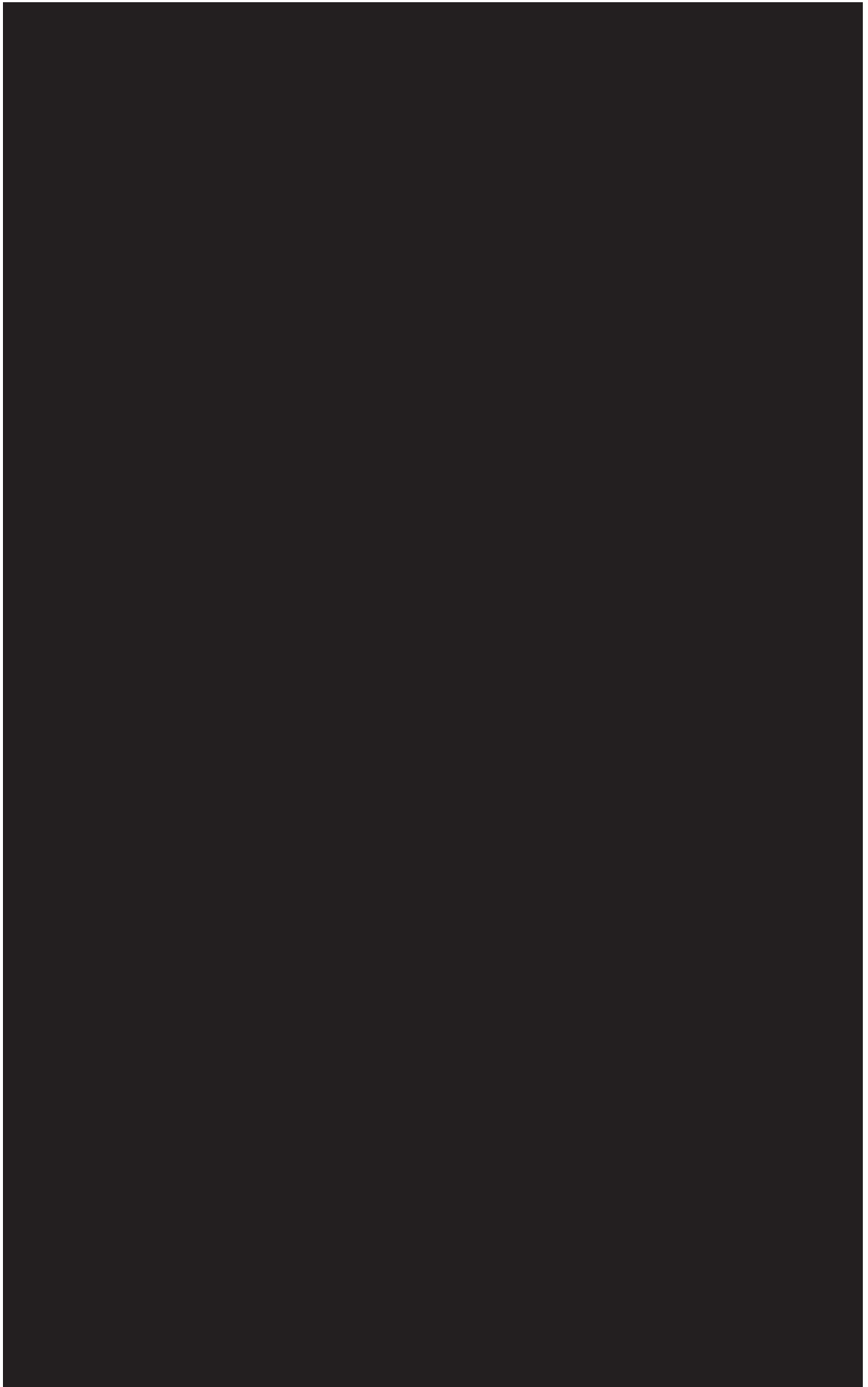
1                   A.       I see that.

2                   Q.       Okay.   And do you see a

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5 BY MR. STEWART:

6 Q. We talked about meetings  
7 that you had with the CEO. Let me ask a  
8 different question. Have you -- how many  
9 presentations have you made to the board  
10 of Endo with respect to the suspicious  
11 order monitoring program?

12 MS. VANNI: Object to form.

13 THE WITNESS: I don't  
14 believe I've ever made a  
15 presentation to the board of  
16 directors specifically on  
17 suspicious order monitoring.

18 BY MR. STEWART:

19 Q. Have you made a presentation  
20 to the board of directors of Endo about  
21 any subject?

22 A. I have made --

23 MS. VANNI: Object to form.

24 THE WITNESS: -- several

1 presentations to the Endo board of  
2 directors.

3 BY MR. STEWART:

4 Q. And have any of them  
5 involved the suspicious order monitoring  
6 program, any of your presentations to the  
7 board of directors of Endo?

8 A. Not directly related to  
9 suspicious order monitoring.

10 Q. Well, what --

11 A. Not that I have personally  
12 presented to the board of directors.

13 Q. How many times have you  
14 personally presented to the board of  
15 directors of Endo?

16 A. I don't recall exactly. But  
17 I'm going say probably about three times.

18 Q. Tell me what you recall --  
19 the subject matter of your presentations  
20 to the board of directors of Endo.

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22 BY MR. STEWART:

23 Q. Did -- did you have  
24 discussions at any time within Endo about

1     whether a third party, perhaps a seller  
2     of Qualitest, should be financially  
3     obligated to Endo to pay money to  
4     compensate Endo for failures with respect  
5     to past suspicious order monitoring  
6     programs?

7                     MS. VANNI: Object to form.

8                     THE WITNESS: No.

9                     (Document marked for  
10                    identification as Exhibit  
11                    Endo-Macrides-54.)

12    BY MR. STEWART:

13                    Q.     I'm going to hand you  
14    Exhibit 54.

15                    And do you see at the bottom  
16    of Exhibit 54, there's a Bates number  
17    which is -- it states  
18    ENDO-OPIOID\_MDL-05962559?

19                    A.     I see that.

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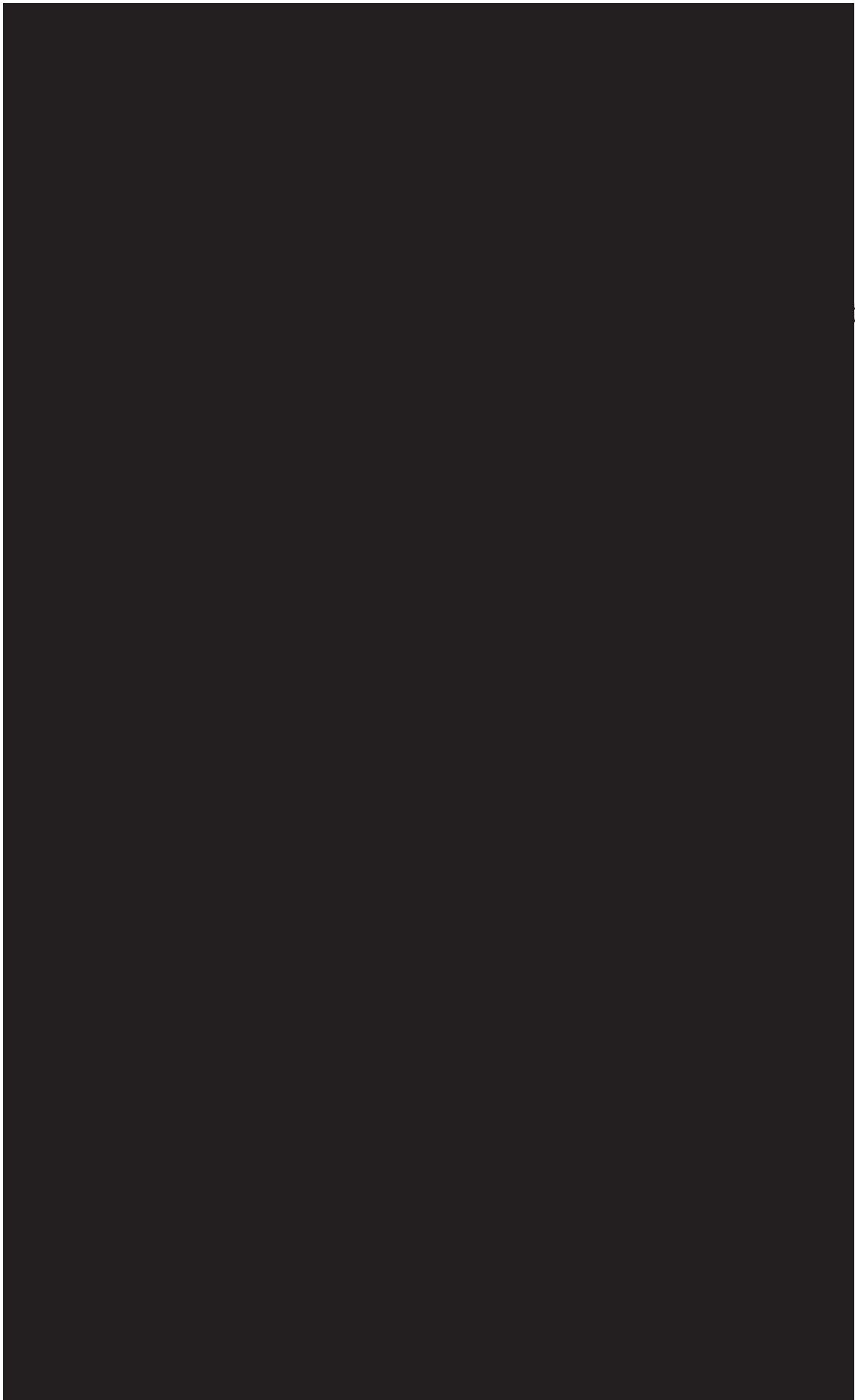
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1 (Document marked for  
2 identification as Exhibit  
3 Endo-Macrides-55.)

4 BY MR. STEWART:

5 Q. I'll hand you another  
6 document.

7 A. Thank you.

8 Q. 55.

9 Now, you have in front of  
10 you something entitled "Minority Staff  
11 Report, Fueling an Epidemic, Report 3."

12 Do you see that?

13 A. I see it.

14 Q. Is that Exhibit 55 to your  
15 deposition?

16 A. That's what it says.

17 Q. Are you familiar with this  
18 document?

19 A. I'm not familiar with this  
20 document.

21 Q. Okay. You have not looked  
22 at -- at this report at all that you can  
23 recall?

24 MS. VANNI: Object to form.

1 THE WITNESS: I have not  
2 reviewed this report.

3 BY MR. STEWART:

4 Q. Okay. And do you remember  
5 doing anything to prepare materials that  
6 would go into a Senate report like this?

7 MS. VANNI: Object to form.

8 THE WITNESS: This is the  
9 McCaskell report?

10 BY MR. STEWART:

11 Q. That's correct.

12 A. I'm aware that people in our  
13 company provided information and in --  
14 input into this as Endo participated in  
15 providing input that ultimately went into  
16 this report.

17 Q. How often does Endo review  
18 chargeback data to identify customer  
19 facilities of interest, do you know?

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Q. What data does Endo review  
with respect to nonbranded generic  
products?

7

MS. VANNI: Object to form.

8

With respect to suspicious

9

order monitoring?

10

MR. STEWART: That's

11

correct.

12

THE WITNESS: Can I answer

13

that? That would be Par.

14

MS. VANNI: You're asking

15

Endo, what's Endo review?

16

MR. STEWART: I don't -- I

17

don't respect the limitations

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of --

19

BY MR. STEWART:

20

Q. I want to know for Endo, for

21

Endo and all of its subsidiaries.

22

A. You asked specifically about

23

generics?

24

Q. That's correct.

1 MS. VANNI: He's not  
2 answering as to Par.

3 MR. STEWART: Okay. That's  
4 improper.

5 BY MR. STEWART:

6 Q. You can answer to the extent  
7 you can.

8 A. I think I've been advised  
9 not to answer.

10 MS. VANNI: Based on my  
11 previously articulated objections  
12 that Par is not a defendant in the  
13 Tennessee litigation, that this  
14 deposition wasn't properly  
15 noticed, that we've now been going  
16 about two hours on Tennessee  
17 questions and 11 hours  
18 cumulatively throughout the entire  
19 day.

20 And if you could answer as  
21 to Endo, you can answer. But not  
22 as to Par.

23 THE WITNESS: I think I  
24 already answered as to Endo.

1 (Document marked for  
2 identification as Exhibit  
3 Endo-Macrides-56.)

4 BY MR. STEWART:

5 Q. I'll give you a document  
6 marked as Exhibit 56.

7 You don't appear copied on  
8 the document. Do you recognize that?

9 A. I don't recognize this  
10 document.

11 Q. Can you recall any  
12 discussions that you've had, in which you  
13 specifically discussed the State of  
14 Tennessee and particular aspects of  
15 suspicious order monitoring in Tennessee?

16 A. No.

17 Q. Can you tell me, if you've  
18 had conversations with Aaron Graham about  
19 suspicious orders?

20 A. If I've had conversations  
21 with Aaron Graham?

22 Q. Yes.

23 A. I don't recall a  
24 conversation that I had with Aaron Graham

1 on suspicious orders. I have a lot of  
2 conversations. I don't recall that one.

3 Q. Within Endo, I take it it's  
4 accepted that Endo has and always has had  
5 an obligation to monitor suspicious  
6 orders with respect to generic pain  
7 medicines as well as branded pain  
8 medicines, fair?

9 MS. VANNI: Object to form.

10 THE WITNESS: That's a fair  
11 statement.

12 BY MR. STEWART:

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19 BY MR. STEWART:

20 Q. And that's for generic and  
21 branded products, fair?

22 A. I believe so, yes.

23 Q. Let me ask you a question.

24 This is a document -- you were told not

1 to answer questions about a July 2012  
2 e-mail from Aaron Graham to Sandra  
3 Parker. Can you reach back in your pile  
4 and grab that. It should be probably  
5 Exhibit 45, I think.

6 Do you see that?

7 A. 45 is this thing.

8 Q. If you'll hand it to me,  
9 I'll show you where it is. If you can --  
10 let me just see me the pile, and I'll  
11 tell you where it is.

12 MS. VANNI: 48.

13 BY MR. STEWART:

14 Q. 48. Can you turn to  
15 Exhibit 48.

16 Can you tell me, do you see  
17 that Aaron Graham's e-mail is included?

18 A. I see that.

19 Q. What is his e-mail?

20 A. It says  
21 Graham.Aaron2@Endo.com.

22 Q. Endo.com. @Endo.com, is  
23 that an e-mail typically used by Endo  
24 employees?

1 MS. VANNI: Object to form.

2 THE WITNESS: Yes and no. I  
3 have three different e-mail  
4 addresses.

5 BY MR. STEWART:

6 Q. Do you know anybody who uses  
7 an e-mail that ends in Endo.com who's not  
8 an Endo employee?

9 A. I had an Endo e-mail  
10 address, and I was a Qualitest employee.

11 MR. STEWART: How much time  
12 do I have?

13 THE VIDEOGRAPHER: One  
14 minute.

15 MR. STEWART: Okay.

16 BY MR. STEWART:

17 Q. Did you personally ever  
18 travel to Tennessee to investigate  
19 anything involving suspicious order  
20 monitoring for Endo?

21 A. No.

22 Q. Do you know anyone who's  
23 ever traveled to Tennessee in connection  
24 with suspicious order monitoring at Endo?

1           A.     I don't know specifically of  
2     any person who traveled to Tennessee for  
3     that purpose.

4           Q.     The reason that you're  
5     phrasing it that way is because Endo for  
6     a while had a Memphis -- might have --  
7     there was a distribution center in  
8     Memphis; is that fair?

9           A.     UPS distributes from  
10    Memphis.

11          Q.     Okay.

12          A.     That still -- that still  
13    exists today.

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THE VIDEOGRAPHER: Off the  
record at 8:45 p.m.

(Short break.)

MR. STEWART: I just want to  
say, you articulated a position  
for why you're telling the witness  
not to answer certain questions.  
I rejected that position, and we  
haven't changed our positions,  
fair?

MS. VANNI: I have not  
changed my position, and I will  
note for the record that I gave  
you a full two hours and a lot of  
leeway to ask questions. And you  
sat through the deposition that  
Mr. Buchanan took. He had seven

1           hours of questioning. And our  
2           position is the same as I've  
3           already articulated. And you have  
4           not been prejudiced in any way.

5                   MR. STEWART: I think we  
6           have been prejudice. And  
7           obviously we have the right to  
8           come back and retake this  
9           deposition to obtain the  
10          information that we wanted.

11                   This is a properly noticed  
12          deposition. We were entitled to  
13          not two hours, as directed by you,  
14          but as we decided. So I think  
15          we've definitely been prejudiced.  
16          But I imagine you and I or others  
17          will work this out in the future.  
18          Thank you.

19                   MS. VANNI: Just final --  
20          just I want to say that I disagree  
21          with that characterization.

22                   And with that, we can close  
23          the deposition. I don't have  
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(Excused.)  
  
(Deposition concluded at  
approximately 8:46 p.m.)

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2 CERTIFICATE  
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5 I HEREBY CERTIFY that the  
6 witness was duly sworn by me and that the  
7 deposition is a true record of the  
8 testimony given by the witness.

9 It was requested before  
10 completion of the deposition that the  
11 witness, STEPHEN C. MACRIDES, have the  
12 opportunity to read and sign the  
13 deposition transcript.

14  
15 

16 MICHELLE L. GRAY,  
17 A Registered Professional  
18 Reporter, Certified Shorthand  
19 Reporter, Certified Realtime  
20 Reporter and Notary Public  
21 Dated: March 18, 2019  
22  
23  
24

25 (The foregoing certification  
26 of this transcript does not apply to any  
27 reproduction of the same by any means,  
28 unless under the direct control and/or  
29 supervision of the certifying reporter.)  
30  
31  
32

1 INSTRUCTIONS TO WITNESS

2  
3 Please read your deposition  
4 over carefully and make any necessary  
5 corrections. You should state the reason  
6 in the appropriate space on the errata  
7 sheet for any corrections that are made.

8 After doing so, please sign  
9 the errata sheet and date it.

10 You are signing same subject  
11 to the changes you have noted on the  
12 errata sheet, which will be attached to  
13 your deposition.

14 It is imperative that you  
15 return the original errata sheet to the  
16 deposing attorney within thirty (30) days  
17 of receipt of the deposition transcript  
18 by you. If you fail to do so, the  
19 deposition transcript may be deemed to be  
20 accurate and may be used in court.

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2 ACKNOWLEDGMENT OF DEPONENT

3  
4 I, \_\_\_\_\_, do  
5 hereby certify that I have read the  
6 foregoing pages, 1 - 695, and that the  
7 same is a correct transcription of the  
8 answers given by me to the questions  
9 therein propounded, except for the  
10 corrections or changes in form or  
11 substance, if any, noted in the attached  
12 Errata Sheet.

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15 \_\_\_\_\_  
16 STEPHEN C. MACRIDES

DATE

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18  
19 Subscribed and sworn  
to before me this

20 \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

21 My commission expires: \_\_\_\_\_

22  
23 \_\_\_\_\_  
24 Notary Public

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